Featuring Textile Industries

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Vol. XIX. Annual Subscription, $5.00 PUBLICATION OFFICE: TORONTO, DECEMBER 25, 1925 Single Copies, 10 Cents No. 52

Business World Can Cut Present Distribution Cost From Producer to Buyer

Middleman Serves Useful Purpose, National Conference Finds

PRESENT SYSTEM SOUND

But Can Be Made to Function With Greater Efficiency to Lower Costs of Operation

One of the most important business meetings of recent years was held in Washington last week. The National Distribution Conference was called to discuss the most important problem in the business world to-day — that of reducing the cost of distribution between the manufacturer and the farmer on the one hand and the consumer on the other.

Production costs have been reduced by continued scientific analysis of production problems over a long term of years and have now become closely stabilized. Distribution costs have not received the same attention, and the next great step in business is the more able analysis of our present distribution system to the end of reducing the cost of getting goods from producer to ultimate buyer.

Realizing that this conference had a problem of as keen interest for the Canadian manufacturer and distributor as for those in the United States, The Financial Post arranged for personal representation at the conference. The vice-president attended the sessions, and through his presence at the gathering The Post is enabled to present a summary of the points raised and discussed, and the more vital conclusions reached.

Purpose of Conference

The National Distribution Conference was initiated to examine processes of distribution and conditions vitally affecting them. The purpose was to bring about better understanding, to obtain higher efficiency, to reduce obvious wastes and to abate unwarranted criticism due to misconceptions.

Misunderstandings about distribution are so general and lead to such unwarranted assumptions that the conference was impelled to make this statement of its convictions:

(a) The present methods of distribution have been developed by economic forces and fundamentally are sound.

(b) The essential distribution functions now performed by various agencies are fundamental and none may be eliminated, but must be assumed and continued by others if present agencies are replaced by new methods.

(c) Wasteful practices as they exist are not inherent in the present machinery of distribution, but arise through human failings such as lack of definite organized information and the imperfection of performance which characterizes alike producer, manufacturer and distributor.

(d) Market prices must include cost of production and of essential services with reasonable profits if reductions are not merely to be temporary.

(e) Necessary distribution services are entitled to their just pay.

(f) Efforts must be initiated and encouraged to promote collection of specific information revealing duplication of services and the rendering of unwarranted services, to the end that necessary or desirable services may be provided increasingly at lower costs.

(g) Costs of various services should be ascertained and published; consumers then may judge of their necessity in relation to their costs, that they may be continued or discontinued.

Must Study Distribution Process

(h) That producers, manufacturers, distributors and consumers require fuller understanding of the processes of distribution, making it possible to avoid unnecessary exactions and to facilitate the flow of goods which alone can reduce costs materially.

(i) Responsibility for inflation of present prices by waste centres no less on producer and manufacturer than on distributor.

No little part of this waste is attributable to unreasonable demands by consumers for unnecessary distribution services. The effects are passed through all the steps of distribution and embarrass and retard facile functioning.

(j) These problems are possible of solution only with the fullest information, hearty co-operation and recognitions of complete mutuality of interest, particularly between consumer and producer and these distributive agencies operating to assist both.

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Marketing Problems

Manufacturers and other business men studying distribution problems will be interested to know that The Financial Post plans to give a good deal of attention throughout 1926 to this important question. The series running on the Revolution in Retailing will be followed by other important articles on marketing problems in this era, when lowered distribution costs are being sought.

It is planned later to republish the articles on the Revolution in Retailing in booklet form.

24 DEPARTMENT STORES IN NEW BUYING GROUP

To Represent 10 Per Cent. of Their Business or $1,000,000

No more important change has taken place in the Canadian dry goods field for a number of years, says Dry Goods Review, than the formation of the Federated Distributors Limited, a buying group of some twenty-four retailers which was referred to in last month's issue.

This is an organization for the purpose of buying in larger quantities at quantity prices. A company has been formed and an office opened in Toronto, where manufacturers' samples are on display and where the retailers in the group come to do their purchasing in the various lines.

The Federated Distributors Ltd. is not heavily capitalized. The heads of it feel that all that is required is about $10,000. Operating expenses will be taken care of from a fund contributed by the members in the group. Each member pays into the head office 4 per cent. or 5 per cent. on all purchases made through the company for this purpose. This goes to the maintenance of the office and salaries of manager and buyers, etc. The head office pools all orders from the twenty-four stores and buys in quantity lots. The manufacturer or wholesaler selling the goods invoices the company for the entire amount. The proportion for which each merchant is responsible is invoiced to him and he covers it with his payment to head office. Each retailer takes out a Credit Indemnity Bond with a company organized for this purpose, and a certain bank is the custodian of these bonds. This is really a Credit Insurance Bond which the merchant takes out against his character, general reputation and assets in favor of the manufacturer from whom the goods are bought and who extends credit to him.

Bought $10,000,000 Last Year

It has been estimated that the twenty-four firms in the group last year sold some $10,000,000 worth of goods. This represents a big buying power. It is estimated, too, by those behind the proposition, that during the first year of operation the buying power through the company will be at least $1,000,000, or around 10 per cent. They expect that, as time goes on and as the company develops, this will gradually increase from year to year.

To Help Meet Mail Competition

In outlining the reasons for the formation of the buying group, Mr. Whelan said that it was to meet the general conditions of the day, which were very much different from some years ago. The large mail order houses were in position to buy in quantities and to secure best available prices. Chain store influence, too, was gradually widening. This gave the chain a bigger buying power, since what any one department in a store

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Port Alfred New Mill to Produce in April

From Our Own Correspondent.

MONTREAL.—All the outside work of the new newsprint mill of the Port Alfred Pulp and Paper Corporation has been completed, and the building closed in before the cold weather has had time to interfere with progress. The closing in of the building has greatly facilitated arrangements for the erection of the machinery, and this work is now being carried forward.

The construction of the building has been completed in record time, and there seems to be no doubt that paper will be running from the machines early in April.

Government and Allies Will Be in the Minority Without Ginger Group

OTTAWA. — The split in the Progressive ranks suggests interesting possibilities as to the line-up of the new parliament.

The Financial Post understands that the Forke Progressives have applied for seating accommodation with the government, and that the Ginger Group have asked for seats with the opposition.

Such a line-up in the voting would give the combined Conservative and Independent Progressives a majority of at least twelve over the combined Liberals and Forke Progressives. Even should the Ginger Group Progressives refrain from voting, as they have threatened, the Liberals would fall two or three short of the majority required to maintain their position in office.

ATLANTIC SUGAR HAS NOW FUNDED ITS SUGAR DEBT

Creditors Take Bonds—Shares Now to be No Par Value

From Our Own Correspondent.

MONTREAL.—Atlantic Sugar Refineries has been successful in making arrangements with its raw sugar creditors for the funding of the debt which has long hung over the company's head, according to information secured by The Financial Post. It will be recalled that when the bottom fell out of the sugar market in 1921, the refiners were left with large stocks on their hands and no market at any price. It was at this time that Atlantic Sugar became saddled with this debt, which, in round numbers, with interest to date, is approximately $3,900,000.

It is anticipated that the shareholders will shortly receive a notice setting forth the funding plan which they will be asked to ratify in due course. In addition to the plan whereby the creditors are to take bonds in full settlement of their claims, it is also planned to issue new common stock in the company to the present shareholders at below market levels.

Funding the Sugar Debt

The plan which The Financial Post understands is acceptable to the creditors is as follows: The company is to issue approximately $3,900,000 in 5 per cent., sinking fund, 15-year bonds, which will be distributed to the creditors in payment in full. It is to be noted that the company is now paying 6 per cent. interest on its debt, and that the funding plan

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Canadian Firms Get Big Soviet Implement Orders

Cockshutt Plow and International Harvester Share in $6,000,000 Tractor and Plow Order from Russian Commercial Organizations.

First fruits of Locarno are orders for Canada.

Big orders for agricultural implements have been placed with Canadian concerns by the Russian government.

Cockshutt Plow Company, of Brantford, is starting work at once on an order for tractor plows. The order, which is stated to be for about 3,000 plows, with spare parts and equipment, will mean about $225,000 to the Cockshutt firm.

International Harvester Company, at Hamilton, has received an even larger order for 10,000 tractor plows. The value of the International's order is over half a million dollars.

Massey-Harris has also received a smaller order, details of which have not yet been completed.

The order represents Canada's share in the order placed in New York last week by the Amtorg Trading Corporation, agents for the various Soviet industrial and commercial organizations. The main part of the order consisted of 10,000 tractors, and these were purchased from the Ford Motor Company. The Financial Post understands that a part of the tractor order may be shared with the Ford Motor Company of Canada. The total order was worth over $6,000,000 to the United States and Canada. The tractors will be delivered to the agricultural districts in time for the next spring field work. With the 10,000 tractors now purchased, the number of American tractors exported into the Soviet Union by the Amtorg Trading Corporation during the calendar year 1925 will be brought up to more than 16,000. The present order, which is the largest single order for tractors ever placed, is the first of a series of

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Looking Foward Into 1926

Industry Not Getting Benefit of Increased Buying Power—Textile Industry Illustrates Need for Protection—Will U.S. Prosperity Continue?

What of business for 1926? As the end of the year approaches, business men are giving thought to the prospects for the next twelve months. With the improvement in agriculture and its effect on buying power there is reason to regard the future with increased confidence. In retail trade there is an increased movement of goods to consumers. However, the unsatisfactory feature of the situation is that the improvement in consumption is not reflected fully in enlarged industrial production. For this the explanation seems to be that imports of certain lines of manufactured goods are increasing as the result not only of the reductions made in the protective tariff, but also of the ineffective regulations regarding depreciated currencies which enable countries with cheap labor to send their goods into Canada to compete with the Canadian products on a very favorable basis.

The textile industry reviewed in this issue has been particularly feeling the effects of tarriff reductions. In some lines the situation has not been serious, but in others, where there is competition from the European countries—like cloth fabrics—the Canadian plants have been hard hit. Not only do the Canadian manufacturers face materially higher costs, because of wages paid to maintain the American standard of living for their workers, but as the result of depreciaiton of European currencies these foreign products can be brought in at a very low price in Canadian money and the tariff offers no effective protection under these circumstances.

So serious has this competition of cheaply made European textile products become that one big Canadian concern at least has been considering the advisability of establishing a plant in Europe to take advantage of the cheap labor and other conditions favorable for making such products for the Canadian market. Such a project would be merely on the basis of ability to compete with foreign manufacturers now enjoying these favorable conditions.

The reply to the case of Canadian industry for effective protection, heard during the last election campaign—that Canadian manufacturers are inefficient as compared with those of other countries—is effectively countered by the experience of the Toronto Carpet Co. in the American field. Four years ago this company established a small branch in Philadelphia. To-day with a big efficient plant and an organization built up from the parent company in Canada, this branch at

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Heavy Public Debts in Canada Render Definite Plans to Retire Bonds Necessary

IN ANY consideration of the problem of public finance in Canada —and there is no more important issue before the country than taxation—what is being done in the United States cannot be ignored. In fact, the reductions being effected in that country, largely through better business methods in national affairs, have a direct bearing not only on the comparative prosperity of the two peoples in relation to their net incomes, but on business in relation to the cost of production of the goods and articles which Canadians can buy with these tax-reduced earnings. And not only has the government of the United States already made material reductions in the tax levies on individuals and on business, but further reductions are planned for succeeding years. President Coolidge outlines the program as follows:

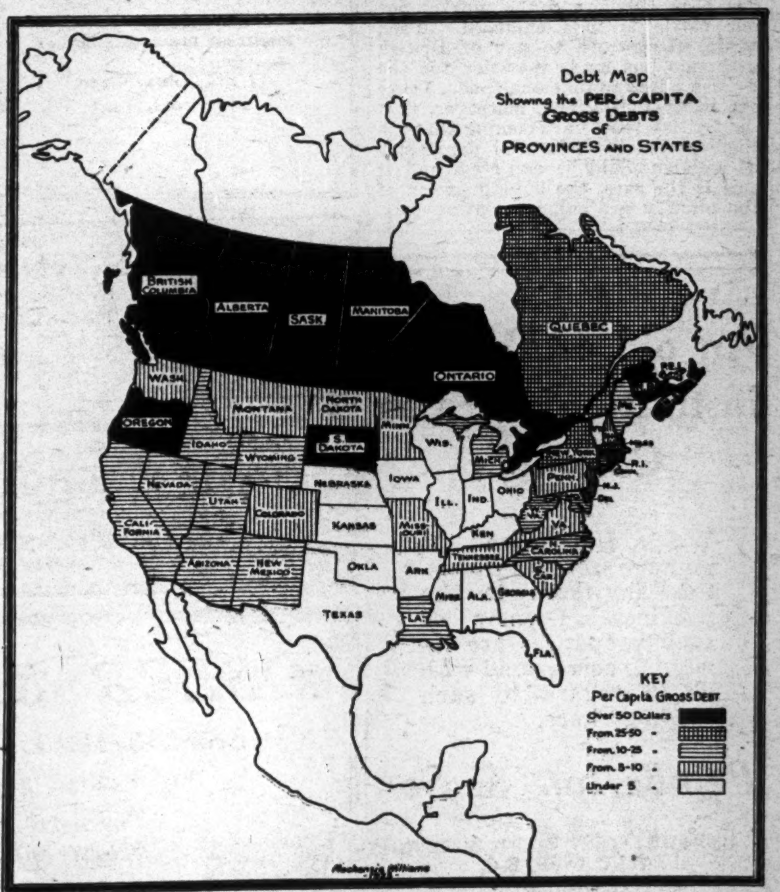
The outlook for the coming fiscal year, 1927, is most favorable. For that year it is estimated the ordinary receipts will be $3,824,530,000 and expenditures $3,494,222,000. This indicates a surplus of $330,307,000.

The outlook for 1926 and 1927 shows clearly that the united effort of the executive and legislative branches of the government for economy in federal expenditure is bearing further fruit. In the last four fiscal years there have been two substantial reductions in taxes. We have restored to the people a part of the moneys which we required of them to finance the world war. We are now in that favorable position of making further restoration.

One of the most important steps taken in the United States preliminary to this tax reduction program was to definitely budget the national debt. Although it is seven years since the signing of the armistice, nothing of the kind has yet been done in Canada. The Financial Post would reiterate that it is of the utmost importance that something definite be done in this direction. Steps should be taken to plan how the bonds issued during the war and during the period of reconstruction are to be finally taken care of. Until that is done it is practically impossible to judge where and how reductions in expenditures can be made looking to cuts in tax levies.

That it is practical for Canada to arrange a debt retirement program has been shown in the case of the province of Ontario, where Hon. Col. Price, provincial treasurer, has announced a plan whereby the debt will be taken care of in forty years by the issue of serial bonds. The leading financial and business experts should be called in to aid in formulating a sound plan.

The accompanying chart, prepared by MacKenzie Williams, in his study of the finances of the various provinces for the Bond Dealers' Association of Canada, shows the relatively high debts of the Canadian provinces as compared with the States of the Union. And these debts are in addition to the national debt, created largely by the war, and the municipal debts—the liability for all of which rests on the shoulders of Canadian taxpayers.



It will be noted that several of the Canadian provinces have per capita gross debts of over $50. One, Quebec, has a per capita debt of just over $25, and one, Prince Edward Island, has a per capita gross debt of between $10 and $25. In the United States, west of the Great Lakes, where conditions are similar to a great degree, most states have gross debts which range from $5 to $10 per capita, and no state has a per capita debt greater than $25.

BRADSHAW LOOKS FOR IMPROVEMENT IMPLEMENT TRADE

Best Year Since 1920 and Better Things Are Ahead

ON HEALTHY BASIS

Sees Danger if Part-Payment Selling Carried Too Far—Collections Better in Canada —New Reaper Thresher

By THOMAS BRADSHAW,
General Manager, Massey-Harris Co.

After making a survey of conditions throughout the past year, the general belief is that the farm implement industry is in a better position to-day than it has been since 1920. Sales during 1925, especially in the home market, increased considerably. The farmer at home was not only successful in obtaining excellent crops, the wheat harvest being the second largest in the history of the Dominion, but he also received consistently good prices for his produce. Financially he has been greatly bettered, and he has been placed in a position to undertake long deferred improvements and to equip himself with many needed tools and implements which will assist him to produce more cheaply and with more certainty of a favorable return. That his economic condition for several years past has been unsatisfactory is well known; it is equally well known that in 1923 and in 1924 it steadily improved. There is no doubt, however, that the outcome of his operations in 1925 has gone even further than those of the aforementioned years, in enabling him to free himself materially from the great burden of debt which he was carrying.

Farm equipment sales in Canada during the year just closing will be approximately from 60 to 75 per cent. in excess of those of 1924. The increase in percentage is large because the year 1924 was one of the most unsatisfactory in the history of the industry. The small volume of business in that year was due to poor crops in some of the most important grain-growing territories, unsettlement and uncertainty caused by tariff changes and agitation, and shortened credit terms. While this restriction of credit reduced sales somewhat, it is believed that the marketing of implements has been placed on a more healthy basis than ever before.

Part-Payment Buying

Just in this connection, it does seem that the method of making buying more easy through the instalment plan, which is gaining impetus, especially in the United States, is not unlikely to bring about serious consequences, especially in times of depression and distress. It practically means that every such purchaser is mortgaging his future income. So long as income is high and certain, perhaps well and good, but when incomes diminish and unemployment is

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Over Thirty Millions New Money Available

Nearly $32,000,000 in bond interest and dividends will be distributed to Canadian security holders about the end of the year and will be available for reinvestment. The comparative figures for the January distribution of the two years follow:

January	1926	1925
Dividends	$16,042,888	$15,327,756
Bond interest ..	15,821,337	15,570,211

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FEATURING TEXTILE INDUSTRIES
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The Trend of Business and Industry

Conducted by H. M. CAMERON, Statistical Editor, The Financial Post.

FARMER BECOMING INDEPENDENT OF FOREIGN MARKETS

Home Manufacturing is Greater and Canadian Living Standard on Up-grade

The Canadian farmer is getting a step closer each year to independence of the foreign markets. There is a general belief that nearly all our farm products go to the United Kingdon or to Europe, and that we retain only a negligible proportion for our own use. There is a degree of truth in this, or rather, has been in the past. But that proportion retained is no longer negligible—in fact, is becoming a very important percentage of the total. This is readily seen from the following analysis of the proportions of farm products consumed at home, and shipped abroad, respectively:

	Consumed In Canada		Exported From Canada	
	Per cent.			
	1923-4	1924-5	1923-5	1924-5
Wheat	38.3	43.9	61.7	56.1
Oats	93.5	91.5	6.5	8.5
Barley	78.2	68.7	21.8	31.3
Rye	65.6	53.9	34.4	46.1
Peas	91.6	92.0	8.4	8.0
Beans	98.8	97.1	1.2	2.9
Buckwheat	94.6	86.7	5.4	13.3
Corn	99.9	99.9	0.1	0.1
Potatoes	96.8	95.8	3.2	4.2
Turnips, etc.	95.7	95.5	4.3	4.5
Hay	97.4	99.1	2.6	0.9
Sugar beets	94.9	93.4	5.1	6.6
Apples, green	63.6	56.9	36.4	43.1
Seeds—				
Clover-alfalfa	5.7	72.5	94.3	27.5
Clover—Alsike	...	...	...	...
Clover—Red	93.5	94.0	6.5	6.0
Flaxseed	52.7	48.8	47.3	51.2
Tobacco	84.2	84.8	15.8	15.2
Wool	61.8	62.8	38.2	37.2
Animal Origin—				
Butter	94.8	91.2	5.2	8.8
Cheese	23.0	15.2	77.0	84.8
Condensed milk and milk pdr.	45.5	47.6	54.5	52.4
Beef, fresh	93.3	91.6	6.7	8.4
Pork, fresh	98.8	93.0	1.2	7.0
Mutton and lamb, fresh	94.8	96.3	5.2	3.7
Eggs	98.6	98.7	1.4	1.3

Home Markets Take Basic Products

As will be seen, a larger percentage of our basic products is being sold in the home market. This is particularly noticeable in the case of wheat, hay, condensed milk, mutton, etc. There have also been notable declines, but most of these occur where there has been a falling off in output during the past year, or where demand has been particularly keen in the foreign markets. There is still a large proportion of many of our basic products sold abroad, and this will continue to be the case, but the increase which has already taken place in home consumption is highly significant.

The negligibly small proportion of these farm products imported into Canada, in competition with the home products, is shown below:

	Products in Canada 1924 (Calendar)	Imported 1924 (fiscal)
Wheat, bus.	262,097,000	47,175
Oats, bus.	405,976,000	185,362
Barley, bus.	88,807,000	2,017
Rye, bus.	13,750,900	483
Peas, bus.	3,239,900	42,603
Beans, bus.	1,194,100	298,647
Buckwheat, bus.	11,412,000	2,764
Corn, bus.	11,998,000	8,729,438
Potatoes, cwt.	56,648,000	248,678
Turnips, cwt.	40,597,000	......
Hay, tons	16,217,100	13,870
Sugar beets, tons	334,000	......
Apples, bbls.	3,247,270	1,653,206
Seed, lbs.—		
Alsike	9,060,000	......
Alfalfa	6,184,000	......
Red	2,521,000	2,465,137
Flax, bus.	9,694,700	761,479
Tobacco, lbs.	18,710,740	16,462,199
Wool, lbs.	15,111,719	19,375,924
Animal Products—		
Butter, lb.	278,074,829	1,558,102
Cheese, lbs.	149,707,530	1,688,296
Con. and powdered milk, lbs.	90,217,662	169,942
Beef, fresh, lbs.	312,185,326	165,858
Pork, fresh, lbs.	137,560,878	22,040,155
Mutton, lbs.	31,454,189	1,561,528
Eggs, doz.	212,648,685	6,512,812

From the table just shown it is evident that the Canadian farmer has little to fear from foreign competition. In only one case, that of wool, does the import figures exceed that of the home product. In only a few cases is the import figure anywhere near the home product figure. In short, the Canadian farmer is getting a better and better grip on the home market, and is less and less dependent on markets abroad.

Business Indicators

INDUSTRIAL

Car Loadings—

	1925	1924	
Week Dec. 12	69,449	54,904+	27%
Yr. to date	2,878,720	2,814,649+	2.2%

Grain Receipts—

Aug. 1 to Dec. 11	237,122,870	160,200,638+	48%

Building—

November	7,698,082	9,913,935—	22.3%

Railway Earnings—

10 Months—

C. P. R.	144,243,276	148,710,928—	3.0%
Oper. Exp.	115,163,327	121,242,979—	5.0%
Net	29,079,948	27,468,060+	5.8%
C. N. R.	196,444,081	195,825,323+	0.5%
Oper. Exp.	175,958,360	184,555,659—	4.6%
Net	20,485,721	10,769,664+	90.2%

Pig Iron Output—(tons)

10 months	446,973	547,486—

FINANCIAL

Bank Clearings—

	1925	1924	
November	1,633,085,136	1,652,702,601—	1.1%

Savings Deposits—Chart. Banks—

October	1,277,588,281	1,189,086,750+	7.4%

Current Loans—By Banks—

October	906,249,140	981,111,418—	7.6%

COMMERCIAL

Balance of Trade—

12 months, Nov. 30—

	1925	1924	
Exports	1,219,861,088	1,057,508,866+	15.4%
Imports	874,295,547	812,854,157+	7.5%
Balance	345,565,541	244,654,709+	41.3%

Wheat, No. 1 Nor., Winnipeg—

1925	1924
Dec. 21, $1.44	Dec. (Av.) $1.72

Cattle—(Good, Toronto)

8.35	6.47

Hogs—(Select, Toronto)

12.50	10.12

Good Outlook for Cattle in the British Market

WINNIPEG.—The outlook for cattle business with Great Britain never was better. The old country has been depleted by the foot and mouth disease and needs Canada's cattle badly. With the prospect of larger cattle boats being placed on the Canadian Atlantic route and cheaper transportation rates for the western shipper, there is a brighter outlook than for some seasons.

FOREIGN TRADE OPPORTUNITIES—No. 11

Gt. Britain Takes More Than Third Our Exports

Trade With the Mother Country Steadier and Less Spectacular Than With Many of Our Newer Customers, but Far Exceeds Their Combined Aggregate

Analyses of our foreign trade frequently appear to overlook the fact that the great bulk of our trade is still carried on with Great Britain and the United States. The fact that there is sometimes more of the spectacular in our trade with some of our new customers should not obscure the fact that, eliminating the United States, our exports to Great Britain are vastly greater than the aggregate of our sales to all other countries combined. Last fiscal year our sales to the United Kingdom totalled $395,850,982 while shipments to all countries aggregated $1,069,067,353 and to the United States $417,457,171. Our next largest customer, Germany, bought $24,234,685 worth of our goods.

During the year just past, as normally, the largest item in British purchases from Canada was wheat. Last year's total was $189,127,000. Owing to a differential rate between the freight charges on wheat and flour passing through Canada for the United Kingdom, it proves more advantageous to the British importer to have the product shipped over in the raw material form and milled in the British flour mills. As a consequence, the total value of flour shipped by Canadian mills to the United Kingdom during the same period was $20,124,000.

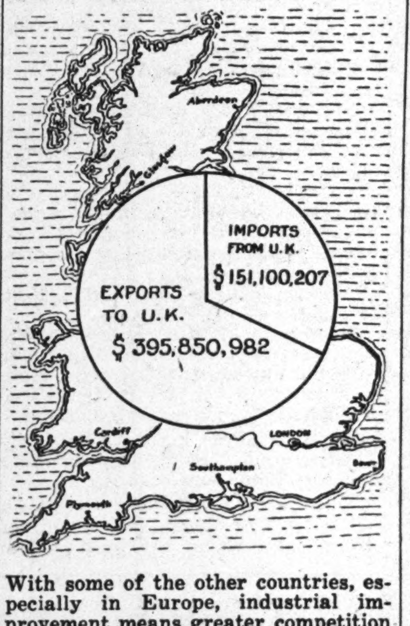
The second largest item in British imports from Canada was cheese, of which the total value was $22 658,000. With the gradual improvement in the standards of our dairy products, it is more and more possible to compete successfully with the products of such countries as Denmark and New Zealand. Standards have been made compulsory over a large part of Canada with regard to the quality of the milk to be used for cheese production purposes, and the difference is already noticeable in our trade totals.

Big Market for Canadian Bacon

The third largest item in our exports to the United Kingdom and one which suggests the possibility of large expansion, is bacon and ham products. Last year we sold $22,034,323 worth of these products to the United Kingdom in comparison with $17,876,255 the year before. The Canadian packing industry is beginning to see light in the British and European market after an adverse period of some years, and the superior quality of the Canadian bacon is now being recognized. The importance of sales of this product is seen from the fact that total exports of these products to all countries amounted to $22,392,223.

In addition to the products mentioned, Britain took large quantities of many other Canadian farm produce such as: oats, $10,072,000; barley, $16,637,000; butter, $5,593,333; cattle, $9,126,000; rye, $4,417,000. Canadian metals are also finding an important outlet in the Mother country. Lead to the extent of $6,186,000 was marketed as well as nickel valued at $3,510,000, silver bullion, $3,267,000, aluminum, $1,067,000, and copper worth $1,155,000. There is also a large market for our canned fish, condensed milk, pulp and paper, and many other classes of goods.

These figures representing the different Canadian products marketed in the United Kingdom show a gradual increase over the past few years, and there is every reason to believe that this will continue. The cattle embargo has been lifted, and the market for our cattle is thus enlarged. Then again, the return to par of British exchange has made it easier for the British buyer to take our goods. There are many indications, moreover, that the British people are coming through their period of industrial depression as well as could be expected, and if this is the case, the buying power of the country will enlarge continuously.



With some of the other countries, especially in Europe, industrial improvement means greater competition and smaller profits for our manufacturers. To a degree this is the case also with the United Kingdom, but the increase in demand for our raw materials tends to more than compensate for this.

We are not only sellers to Britain; we are buyers on a large scale as well. Last year our imports totalled $151,100,207, a by no means small portion of Britain's total sales abroad. The largest items in our purchases from Britain were woven woollen fabrics worth $18,876,000 and distilled beverages worth $15,771,000.

Following are the trade figures with Great Britain during the past three years:

	Exports to Britain	Imports from Britain
1923	$379,067,445	$141,330,143
1924	360,057,782	153,586,690
1925	395,850,982	151,100,207

OUTPUT OVERTAKING CONSUMPTION IN U.S.

Hinted That This May be in Prospect But Business Now Very Satisfactory

That the volume of business in the United States is still on a very high scale is indicated by trade reports and monthly business letters emanating from authoritative sources. The situation is thus summed up by two of the leading banks, the National City Bank of New York and the National Bank of Commerce:

> The trend of business in November has been very satisfactory. No letting down is noticeable in the industries and confidence in the future is well-sustained. The stock market has undergone several sharp reactions, affecting stocks which have had a phenomenal rise, but without significance as to the business situation. Indeed it is remarkable under the circumstances that the general list has been so slightly affected and nothing like demoralization has resulted. Evidently many holders have been realizing profits, and the long-continued advance has been checked thereby, but good earnings reports and confidence in the business situation have exerted a greatly steadying influence.
>
> The trade reviews are all giving favorable news. The automobile industry, which is supposed to taper off in the fall, had its biggest month in October, and the year's output is now expected to beat that of 1923, the largest heretofore. The iron and steel industry continues to book more orders than it is filling and has a good outlook into 1926. Prices are moderately stronger as operations approach capacity. All the business barometers indicated a generally high state of activity in October. Car-loadings hold up above past records and bank debits likewise. There are practically no complaints of unemployment. Retail distribution is well above that of last year, and all sections of the country are expecting a record holiday trade.
>
> Business is excellent and a spirit of optimism is spreading. Production of iron and steel is increasing, other industries are showing less than a normal seasonal decline and the next few months may see a marked expansion of operations in those lines of business which until now have shared least in the upward movement that has been under way since midsummer of 1924.... Insofor as increased production is in anticipation of consumer demand during the winter and early spring months it is justified, on the basis of greatly improved conditions in agricultural regions and high purchasing power of all those dependent on industry, whether as employees, who have enjoyed a long period of steady work at good wages, or owners of businesses whose high profits are the result of well-sustained operations. The comparative stability of commercial loans is a certain indication that goods are passing promptly into the hands of final consumers, and convincing proof that thus far the speculative spirit of the stock market has not warped the judgment of manufacturers and merchants. Too much emphasis can not be laid, however, on the point that immediate consumption requirements reflect what has happened, not that which is yet to occur. Failure to recognize this has frequently been a major cause of business woes. Plans beyond late winter or early spring should be made only after the most critical consideration of influences which may be operative then, for with the existing industrial capacity and a tendency to make full use thereof production could easily overtake consumption.

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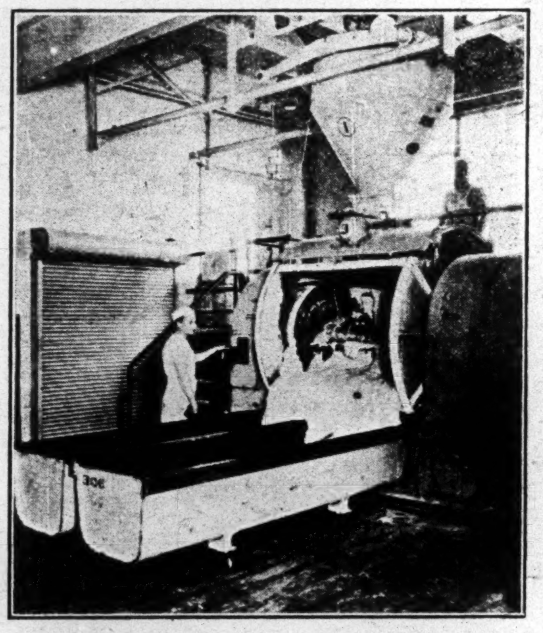
Maple Leaf Milling Domestic Business of Company Growing

Second Article: Domestic Business and Prospects

We have seen in a previous article (last week) the satisfactory trend of the flour export business of Maple Leaf milling.

Domestic business too has this year been good for Maple Leaf. Maple Leaf has the largest production of any Canadian flour mill organization and it is believed that Maple Leaf has the largest domestic trade of any of the mills. It is well established in every province, both in the supply of flour to bakeries and to homes through wholesale and retail establishments.

In the bakery field, Maple Leaf has definitely lined up a very high proportion of the purchasing capacity through the acquisition of the control of two big bakery chains, Canada Bread Company and Canadian Bakeries. Canada Bread and Canadian Bakeries between them produce close to 145,000,000 loaves of bread a year. This is about one-third of the total production of bread in Canadian bakeries. All Canadian bakeries together use 3,000,000 barrels of flour annually. This would indicate that Maple Leaf has a definite bakery market for about 1,000,000 barrels of flour at the present time in the bakeries which it controls, in addition to its outside bakery trade. Maple Leaf is understood to be in the market for a further chain of bakeries, and it has been discussed that a chain of maritime province bakeries will be built up under the wing of Maple Leaf Co. If the company continues its apparent policy of acquiring interest in bakery chains, it is not inconceivable that it would sew up about half the bakery market for flour. At the present time, the 1,000,000 barrels of flour which it sells to Canada Bread and Canadian Bakeries, take about 15 per cent. of the total output of Maple Leaf Milling Co.



Mixing bread in one of the Shelly Bakeries, in British Columbia. This organization was recently incorporated in Canadian Bakeries, which is controlled by Maple Leaf Milling.

Have Proven Profitable

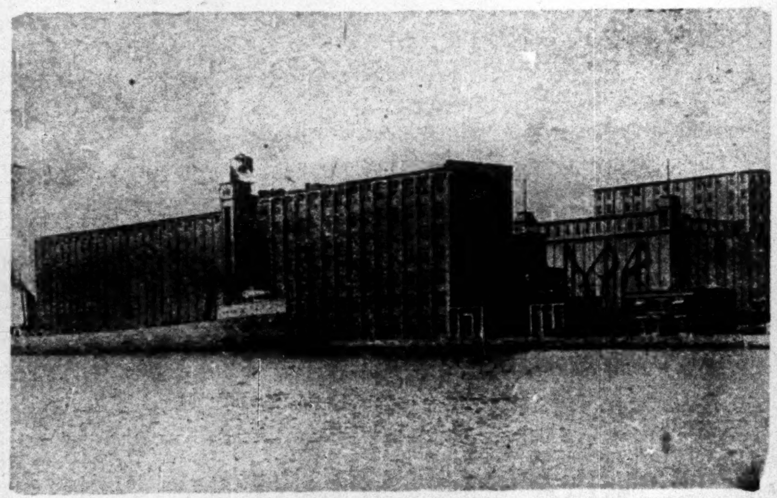
These investments in bakery chains have proven very profitable to Maple Leaf Milling.

Just what valuation has been put by the company on the investments is unknown, as the annual report does not show either the individual investments nor the investment income of the company as distinct from operating profit. One thing is certain: that between March 31, 1924, and March 31, 1925, the market valuation of the Canada Bread stock held increased from $818,000 to $1,560,000. Maple Leaf's investment income from Canada Bread stock is over $90,000 on the preferred alone, plus what it may receive on the common shares in time.

The Canadian Bakeries merger started off under very favorable auspices and is likely to prove an equally profitable investment for Maple Leaf Milling Company.

Canadian Bakeries Ltd. is a 1925 product constituted by a merger of a strong group of five well-established and successful manufacturing bakeries situated in the largest cities between Regina and Victoria. The five units have a combined weekly capacity of 1,400,000 loaves of bread and have an actual production of more than 650,000 a week.

Maple Leaf Milling preferred at 105 returns a yield of 6 2-3 per cent. and is to be regarded as a sound investment. The common stock at today's level is seemingly high for a stock returning no dividend but is much below the high points of a few years ago when the stock sold over 200 and does not exhaust the price possibilities in the stock.



Port Colborne mill of Maple Leaf Milling, perhaps the largest flour mill in Canada, and one of the largest in the world.

Motor Truck is Complement Not Competitor of Railways

Supplements and Expedites Service in Variety of Ways in Short Haul Business—Is Permanent Ally of Steam Roads

By W. T. JACKMAN,
Department of Political Economy, University of Toronto.

It must not be thought that the present is the only time when motor traffic has been on the roads. In England, in 1812-16, steam carriages were operating on English highways at speeds of 10 to 14 miles per hour. Then came their disappearance, due chiefly to having to pay excessive taxation, but also in part to the fact that the weight of coal and water necessary to maintain steam was too great for economical operation. A long time elapsed before the invention of the sparker, toward the end of last century, made it possible to use gasoline and thus eliminate the unproductive weight which was so apparent with the steam carriage.

It may be said without fear of contradiction that no means of transportation has ever been completely displaced as a result of the development of later and better facilities of transportation. The motor vehicle has become very common, but the horse-drawn and even the ox-drawn vehicles are still numerous on the farms and on the country roads, as well as in retail delivery in towns and cities. The tractor has become the prevalent power vehicle on many farms, but horses are still in use by even the best farmers who find them more economical and serviceable than the power machine. When railway transportation came into being, water transportation did not disappear, although there was much difficulty in adjusting their relations.

In the same way the advent of the motor vehicle on the highways has not caused any of the earlier forms of transportation to pass away. The need of the present time is to find the particular sphere of activity and service which is appropriate to it, when used in conjunction with the various other agencies of transportation, especially the railway.

Having the truck ready for use, the next thing was to secure business, and the most fruitful source of traffic was found by tapping that which had been accustomed to go by railway. This was done by cutting the rate the least shade below the railway rate. When, for example, the railway rate was 40 cents per 100 lbs., first class, between Toronto and Hamilton and the truck cut the rate to 38 cents, the reduction of rate, together with the more rapid delivery and the avoidance of crating or boxing of the goods, turned the traffic to the truck.

Then came a great number of trucks into the field and this mushroom growth resulted in keen competition which cut the rates so low that many of the operators were unable to continue. Most of them had no accounting system by which to tell whether they were operating at a profit or a loss. Many of these "fly-by-night" operators had not the knowledge, experience or capital necessary for permanence in the service. Their competition was harmful to themselves, in that many of them lost heavily, and also to the railways, in that they took as much "cream" from the business as they could get, and left the railways impoverished to that extent. Their competition was illegitimate because it was often carried on at rates which were lower than the cost of rendering the service. Their competition was also destructive to those who sought to establish themselves permanently in the transportation field. We still have some of these irresponsible operators and probably will have them until experience teaches them that they cannot carry on business on unremunerative rates and without financial stability and responsibility.

But we have now reached the second stage when, in addition to some irresponsible operators, we have also many who are endeavoring to obtain a place of permanence in the public service as private carriers. The conditions necessary to success here may be briefly stated:

1. The rendering of the most satisfactory service. This is the foremost condition to be fulfilled by those who would attain a permanent place.

2. Financial stability and responsibility, due in most cases to having a strong company, with insurance to cover all damage, loss and emergencies, and men to man the trucks who will take an interest in the welfare of the shippers and their own employers. These are necessary in order to build up a clientele of regular and continuous shippers.

3. Thorough organization of the business, so as to keep the trucks properly employed at the work for which they are best suited. This includes the provision of loads in both directions. Trucks standing idle or but meagrely loaded, are a vast expense.

4. An accurate accounting system, by which the operator may know what each truck costs and what it produces in income. A cost system, fortunately, may be installed at very small expense, which will keep all accounting details so that the operator may know his results from day to day.

5. Elimination of destructive competition. For these independent operators a franchise should be granted, so that each would be protected in his own territory and could give good service free from disastrous and irresponsible rate cutting. The necessary requisites to obtaining a franchise should be the assurance of adequate service and the provision of a bond or of sufficient insurance to assure responsibility.

In order to promote the best interests of this class of operators, the Ontario Motor Truck Owners' Association has been formed and its activities have been of great value in crystallizing the best thought in regard to the problems of taxation and regulation, as well as of operation, of the motor vehicle.

What, then, are the respective fields of the motor truck and the railway in order to secure economical operation? The fields in which the motor truck may render its most useful and

(Continued on page 28)

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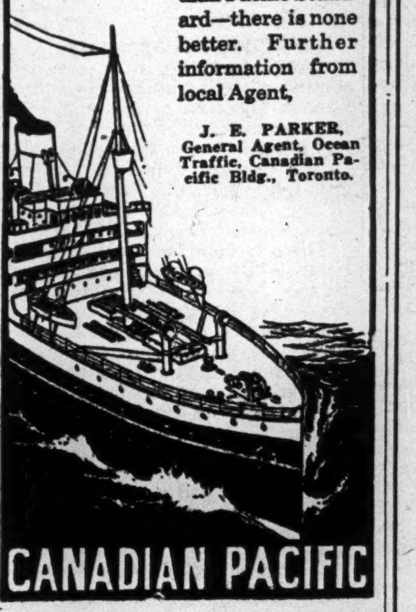

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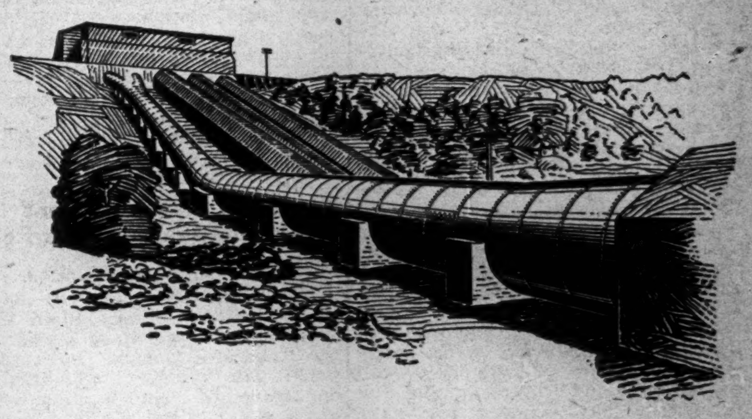

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The Securities Markets

HOLDAY SEASON BRINGS QUIET TO STOCK MARKETS

Prices Drift But no Sign of Widespread Liquidation

Market Indicator
20 Industrial Stocks

	High	Low
Week of Dec. 22	86.6	83.9
Week of Dec. 16	86.3	84.1
Mth of Dec., '24	72.6	67.2

The stock markets have entered the holiday period of comparative inactivity, but, while the price movement is sideways and reductions predominate in the week's trading, the whole performance is rather impressive for this season, and taking into consideration the amount of speculative buying which has taken place in recent months. The drift in the New York market is having its influence, but, while this outside factor must always be taken into consideration from the psychological standpoint, students of the two markets see in the Canadian situation a comparative absence of those weaknesses which are being pointed to in the American market. The bull faction in Wall Street sees comparatively free money supply, a sound government, improved buying power in the farming community and the return to prosperity of the railroads as indicating continued business expansion, while the bear faction, looking six months ahead, sees a possible contraction of trade as the result of a reaction in the building industry which affects so many lines of business, and which might reveal weaknesses in the credit structure in connection with extensive part payment selling. In Canada, however, there has not been a general building boom, part-payment selling has been held in better control, and there is no evidence of any curtailment of the very free offerings of money for both industrial expansion and any accompanying speculation.

With the exception of the textiles and the utilities, the various groups of Canadian stocks have recorded more losses than gains. Following are comparative figures:

	Gains	Loss	Unch.	Total
Banks	3	6	—	9
Paper	2	10	2	14
Steel	5	7	2	14
Foodstuffs	7	13	3	23
Utilities	7	7	3	17
Tractions	3	4	1	8
Textiles	5	3	2	10
Industrials	14	10	5	29
Totals	46	60	18	124

In the bank stocks, Toronto, National, and Imperial, show moderate gains, while the others have shown a tendency to sell off. It seems probable that the good showing being made by the banks generally in their annual reports has been pretty well discounted and that the publication of the reports themselves will not be marked by any great buying movement, particularly as in some instances they may not indicate all the improvement in the situation which has taken place.

The paper stocks have shown a disposition to sell off after the general advances recorded last week. Price Brothers has been the notable exception, scoring a material gain on the publication of encouraging news recorded elsewhere in this issue. A gain of five points is recorded for this stock.

In the steels the trading has been light, and losses and gains pretty evenly divided. Canadian car has shown some improvement, and Ontario Steel has made a nice gain. Steel of Canada has held steady and this about reflects the position of this group as a whole.

In the milling and foodstuffs group the losses have predominated. City Dairy has been one of the strong features, the investment public evidently placing more significance in the favorable report of the municipal investigation of the industry than in the increased competition in the Toronto field. Atlantic Sugar has eased despite the rather favorable developments reported, and B. C. Fishing has eased a little further.

In the utilities and tractions the good news regarding Twin City has been a feature of the week. Laurentide Power has shown a further sharp gain. Consumers has eased off. Quebec Power and Shawinigan have both moved up in an impressive way.

The textile group has made a favorable showing, but the gains recorded have been in the preferred rather than in the common stocks. This industry is dealt with extensively in this issue. The companies are feeling foreign competition, but are finding domestic business improved.

In the general industrial group gains have been more numerous than losses. American Salesbook, Asbestos, Gilman Fanfold, and National Breweries, have been among the leaders, while Dominion Glass has continued to ease to lower levels.

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Dividend Announced on Building Products, Ltd.

Building Products, Limited, which is the product of a merger of Bird and Son and the Ruberoid Company, has just declared a dividend of 1¾ per cent. on the preference stock, payable January 2, to shareholders of record Dec. 28.

The formation of the new company took place as of Jan. 1, 1925. An issue of $750,000 preference stock was made in connection with the merger. The holders of the stock of the old companies received a corresponding allotment of the new stock, and it is apparent from the business of the year that advantages have been realized from co-operation.

It has been announced that officers of the company were authorized to request the Toronto Stock Exchange to withdraw the listing of Bird and Son preference shares and to apply for listing the $750,000 preference shares of Building Products Limited.

CANNERS MAKE BIG PROGRESS IN WEST

Have Added Two New Plants to Present Operations in British Columbia

Shareholders of Dominion Canners will be gratified with the encouraging reports of progress and expansion given out by Avern Pardoe, the new chairman of the board, and W. R. Drynan, general manager, who have just returned from an extended trip through western Canada. Among other favorable statements made is the announcement that two new plants are to be added, one at Mission and the other in the Okanagan Valley.

One of the interesting features of the new development is the shipment of raw materials and finished products by all-water route between eastern and western Canada. The Panama Canal has added greatly to the business of this company, as in the case of many others, by linking the western mills with the eastern consumer and vice versa. Vegetables and fruits not produced in the West are sent from Hamilton, by the all-water route to the Pacific coast, and, in many instances, the canned product is shipped back.

There are now nine plants of Dominion Canners in the West and present plans call for capacity production during the coming year. Lower overhead charges are reported to have been made possible, and this leads to a lowering of retail prices, and, as a result, it is hoped, greater consumption. With this in mind, an extensive campaign of publicity is being arranged to place the advantages of these products before the consuming public. It is the aim to take advantage of the greatly increased buying power, especially in western Canada, this year, resulting from the eminently favorable harvest and general farming situation. Mr. Pardoe stated that the value of the crops had increased the buying power per capita of the West by $30, for the entire population west of Winnipeg, and this has naturally passed itself on to the consuming public of the East as well.

The 1925 pack was the largest obtained during the past five seasons.

Woodyatt New President of Southern Canada Power

From Our Own Correspondent.

MONTREAL.—Succeeding the late W. C. Hawkins, James Blain Woodyatt has been appointed president of the Southern Canada Power Company. Mr. Woodyatt, who was born in Brantford, Ontario, about forty years ago, has had a wide experience in his profession, that of an electrical engineer.

After graduating from McGill University, in 1904, he was employed by the Niagara and Welland Power Company, and then later by the Toronto and Hamilton Railway. Between 1906 and 1908 he was with the Canadian Westinghouse Company at Hamilton, Ontario. The following year he assisted in the carrying out of investigations on the flow of ice in the St. Lawrence River and in the Gulf, on behalf of the Dominion government.

Then, after a year spent as a salesman for Allis-Chalmers-Bullock in Montreal, he received an appointment as superintendent of power in the Sherbrooke Railway and Power Company at Sherbrooke, P. Q. This was in 1910.

He remained with this company until 1913, when this company and other companies in the same territory were amalgamated to form the Southern Canada Power Company. Upon the formation of the new consolidation, Woodyatt was made general superintendent, with headquarters in Montreal. Since that date his promotion has been steady. In 1916 he became general manager, which was followed by his election as vice-president in 1920, and finally president of the company. He still retains his position as general manager.

As well as directing the operations of Southern Canada Power, he is managing director of the Power Corporation of Canada, and sits also on the board of the companies which this holding corporation controls. These include the Ottawa and Hull Power, Ottawa River Power, Ottawa-Montreal Power and Canada Northern Power Companies.

RAILWAY EARNINGS

CANADIAN PACIFIC RAILWAY

Week end.	1925	1924	Change
Dec. 14	$4,546,000	$3,507,000+	$1,039,000

CANADIAN NATIONAL RAILWAYS

Week end.	1925	1924	Change
Dec. 14	$5,497,953	$4,649,764+	$ 848,189

BANQUE CANADIENNE EARNINGS INCREASED

After Meeting All Charges During Year, $17,000 Added to Surplus Account

From Our Own Correspondent.

MONTREAL.—The first annual report of la Banque Canadienne Nationale since the amalgamation of la Banque d'Hochelaga and la Banque Nationale, shows an increase in the total assets from $122,255,339 last year to $131,483,689 at the close of the year ending November 30 last.

A strong liquid position improved earnings and higher deposits, are shown in the report. Total deposits amount to $105,995,201, as compared with $96,824,411 at the close of the preceding fiscal year, being a gain of $9,170,790 during the year. This increase is about equally divided between savings and current accounts.

Liquid assets amount to $63,631,327, being 53 per cent. of total liabilities to the public. Current loans and discounts, after provision for bad and doubtful debts, stand at $58,896,344, an increase of $5,374,815. This advance is an interesting feature, indicating as it does an improvement in business conditions generally.

Net profits for the year amounted to $822,026, as compared with $737,083 in the preceding year. After deducting $100,000 for federal taxes, and $125,000 for payment to the treasurer of the province of Quebec, the balance of $597,026 was equivalent to 10.85 per cent. on the $5,500,000 of capital stock outstanding. Dividends required $550,000 and pension fund $30,000, and the balance of $17,027 was added to balance brought forward, making a total surplus of $265,018. The profits in 1924 were equivalent to 10.75 per cent. on the average amount of stock outstanding on which dividends were paid.

The profit and loss figures for the past two years are as follows:

	1925	1924
Net profits	$822,026	$737,083
Dividends	550,000	475,000
Pension fund	30,000	25,000
Federal taxes	100,000	103,750
Prov. for pay. to treas. Prov. of Quebec, (Under Statute 14, Geo. V. Ch. 3)	125,000	125,000
	$17,026	$8,333
Prev. balance	247,991	239,658
Total balance	$265,017	$247,991

THE BALANCE SHEET

	1925	1924	Change
Liabilities			
Circ.	$12,541,594	$11,475,379+	$1,066,215
Demand dep.	18,881,700	13,961,088+	4,920,612
Sav. dep.	87,113,501	82,863,323+	4,250,178
Total dep.	105,995,201	96,824,411+	9,170,790
Total liab. to the pub.	120,078,137	110,867,344+	9,210,793
Total liab. to the shareholders	11,405,552	11,387,995+	17,557
Assets			
Gold, Dom. notes and curr.	9,745,876	8,731,402+	1,014,474
Cen. Gold Res.	7,200,000	6,000,000+	1,200,000
Cheques, bank notes and bal., etc.	8,073,090	5,534,923+	2,538,167
Total cash items	25,018,966	20,266,320+	4,752,646
Securities	29,805,034	32,380,909—	2,575,875
Call loans	7,245,824	5,726,956+	1,518,868
Loans to municipalities	1,561,503	1,823,694—	262,191
Total quick assets	63,631,327	60,197,884+	3,433,443
Curr. loans and discounts	58,896,344	53,521,529+	5,374,815
Bank prem.	5,504,942	5,225,458+	279,484
Total assets	131,483,689	122,255,389+	9,228,300

COLLINGWOOD SHIP DIVIDEND

Collingwood Shipbuilding Co. is making a capital reduction disbursement of 25 per cent. in cash, which will reduce the outstanding shares from $100 to $75 par. It is assumed that the company will continue to pay dividends at the present rate of 1¼ per cent. quarterly, or possibly a higher rate. Collingwood Shipbuilding has issued capital of $2,600,000, consisting of 26,000 shares of $100 par. After the $25 disbursement is made the outstanding stock will consist of 26,000 shares of $75 par.

Larger Pack Expected for B.C. Fishing Co.

At their informal meeting in Montreal recently the directors of B. C. Fishing and Packing Company made no statement in respect to the year's operations. This year's pack of salmon was larger than last year, and that prices are better, and that the market for the same is in a healthy condition. The final figures are expected by Jan. 15, when some of the eastern directors will attend a meeting in Vancouver to consider them.

CUBAN CANADIAN HAS LOWER EARNINGS

Low Prices for Sugar Have Resulted in Big Drop in Year's Earnings

From Our Own Correspondent.

MONTREAL.—The annual report of the Cuban-Canadian Sugar Company reflects the lower sugar prices which have prevailed during the year and which were the cause of the poorer showing. The report covers the twelve-month period closing June 30, 1925. There has been a world overproduction of sugar; this has reacted unfavorably on the sugar producing companies, such as the Cuban-Canadian Sugar.

Operating profits for the year show a drastic drop from $684,483 in 1924 to $184,660 for the past year. Income derived from miscellaneous sources this year moved slightly upward and stood at $106,032. This made a total income of $290,692, which was sufficient to meet bond and bank interest and miscellaneous expenses, but the deduction for depreciation left a deficit of $38,709 on the year's operations. The allowance for depreciation covers only the company's cane fields and is considerably lower than in previous years.

The unfavorable operating conditions are seen also in the working capital position, which is distinctly lower than at the close of the preceding year.

The Profit and Loss Account

The profit and loss account and working capital figures follow:

	1924-25	1923-24	1922-23
Op. prof.	$ 184,660	$ 684,483	$ 952,217
Misc. inc.	106,032	101,615	43,383
Total income	290,692	786,098	970,506
Deduct:			
Bond int.	180,000	180,000	180,000
Bank interest	63,008	36,640	55,464
Misc. exp.	31,978	28,230	55,093
Deprec'n.	x54,415	150,000	276,982
Reserve	......	50,000	84,800
Net profit	q38,709	341,228	373,260
xPrev. Bal.	701,013	1,042,241	1,415,500
xP. & L. bal.	739,722	701,013	1,042,240

zDebit. xDeprn. of cane fields only. qLoss for the year.

Changes in the balance sheet include the elimination of the bank loan, but bills payable have increased from $38,500 to $569,250, and advances against raw sugars are up $358,000.

The report to shareholders states in part as follows:

"During the year under review your company produced a total of 208,210 bags of sugar against 181,704 during the previous crop year. Owing to unfavorable growing conditions, however, the sucrose content of the cane was abnormally low and the production of sugar was consequently much less than would have resulted from average growing conditions. Whilst improvements to the company's plant and equipment have resulted in further operating economies, the abnormally low price of sugar during the latter part of the season and the low sucrose content of the cane have resulted in a net loss of $38,708.80.

FEAR WOOD EMBARGO

American Paper Manufacturers Want Congress to Lump Canadian Pulpwood With British Rubber In Investigation

From Our Own Correspondent

MONTREAL.—Apparently American manufacturers of paper are becoming alarmed at the possibility of Canada declaring an embargo on pulpwood, for a strong effort is being made to have pulpwood included in the investigation into the rubber situation which the Republican leader in the lower house in that country has proposed.

There is food for thought in the attitude which has thus been expressed. If the American manufacturers believe that the Canadian industry can maintain its position in the United States, it would seem a reasonable thing for Canadians to believe that it is so. If then this country can, by an embargo or other means, hold its dominant position in the United States paper markets, the obvious thing would be to do it.

Americans and many Canadians believe that they have the opportunity of doing this by an embargo on pulpwood.

Retaliation Means Little

Methods of retaliation on this country are proposed. But what methods of retaliation has the States? Apparently one and one only, that of declaring an embargo against coals, which would affect only the province of Ontario, and which would reflect itself in increased prosperity in our coal mining regions in the East and West; in any event, this would only be an embargo on anthracite coals which is bound to come in the not far distant future in any event.

This proposal on the part of the American pulp and paper manufacturers apparently means that they are in agreement with what protagonists of the pulpwood embargo of Canada have long felt, namely that the Canadian manufacturers would be able to strengthen their hold on American markets—a thing, as far as this country is concerned, greatly to be desired.

A report on the situation has been prepared by a committee representing the pulp and paper manufacturers in the U. S. It is interesting as revealing their point of view, and says in part:

"The so-called forest conservation campaign in Canada reveals a clever scheme fostered by Canadian paper manufacturers who plan to cripple the industry in this country, seize control of the paper market and increase the cost to every user of the printed word in the United States."

It was claimed on behalf of the American paper industry that if the Canadian Government accedes to the effort to stop the exportation of pulpwood, American paper mill operators will be forced to move their plants to Canada. The next step, it was asserted would be an embargo on pulp, which would force the American manufacturers, to make their paper in Canada. The report of the American committee says, that if the embargo becomes effective, "it will impose a financial tax on every American who reads a newspaper, subscribes to a magazine or reads a book."

"No Entangling Alliances"

Dec. 14, 1925.

Editor, The Financial Post,
Toronto.

I am enclosing $5.00 for renewal subscription of The Financial Post. I have read with much interest every issue of The Post for the past year. Your reviews, and especially your opinions upon the various industrial and mining activities are so fair and trustworthy as to leave the feeling that you have no entangling alliances to hamper you.

(Signed by a Nova Scotia Doctor.)

WAYAGAMACK REPORT SHOWS GOOD EARNING

Over 11 Per Cent. Earned on Common — Big Increase in Gross and Net Profits

From Our Own Correspondent.

MONTREAL. — The balance sheet of the Wayagamack Pulp and Paper Company for the year ending November 30, 1925, shows an all-round improvement, and reflects the bettered markets for sulphate pulp and paper which the company has experienced, especially during the latter part of the fiscal year.

The total profits amounted to $1,189,268 and compare with $677,509 earned in the preceding year. After deduction of bond interest, bond discount, depreciation and stumpage charges, there remained $560,916, which was added to the previous year's surplus. This compares with $89,614, which was transferred to surplus at the close of the 1924 year. The earnings on the common stock were equivalent to over 11 per cent., as compared with under two per cent. in 1924.

The most significant change seen in the balance sheet is the decided betterment in the working capital position. Last year the ratio of liquid assets to current liabilities stood at under two to one, but this year the ratio stands at close to four to one, and the working capital itself is considerably increased and stands at $2,061,223.

Other Balance Sheet Changes

Other changes in the balance sheet include a loan to the company's subsidiary, the Wayagamack News, of $1,350,000, an increase in the cash on hand, the wiping out of bank loans, bills payable, and the bank discount asset. The last has been written off, making a similar reduction in the general reserve. The balance left at the credit of the general reserve was then transferred into the profit and loss account.

The profit and loss and working capital figures follow:

	1925	1924	1923
Profits	$1,189,268	$ 677,509	$ 893,495
Bond int.	336,810	300,000	300,000
Balance	852,458	377,509	593,495
Bond disc.	20,000	10,000	10,000
Balance	832,458	367,509	583,495
Deprec.	160,000	160,000	160,000
Balance	672,458	207,509	423,495
Stumpage	111,542	118,495	217,140
Year's surp.	560,916	89,014	206,355
Prev. bal.	x1,421,048	1,108,278	901,922
P. & L. bal.	1,981,964	1,197,292	1,108,277
Earned on Cap. stock	11.21%	1.78%	4.12%

xIncludes $223,757 transferred from general reserve.

Working Capital
—November 30—

	1925	1924	1923
Cur. assets	$2,782,569	$2,777,765	$2,131,615
Cur. liab.	721,346	1,489,319	615,898
Net W. Cap.	2,061,223	1,288,436	1,515,717

The report to shareholders accompanying the balance sheet says in part:

"Your directors have thought it advisable, at this time, to write off the bond discount account against the general reserve, and to transfer the balance of the reserve to the credit of profit and loss account.

"In order to carry out the building of the newsprint mill, which you authorized in 1924, Wayagamack News, Limited, was incorporated with two thousand shares of common stock, every share of which is held by your company. Wayagamack News, Limited, obtained £425,000 through the British Trade Facilities Act, and your company also sold $1,500,000 6½ per cent. general mortgage and collateral trust gold bonds to enable them to advance by way of loan to Wayagamack News, Limited, such an amount as might be required to complete the erection of their newsprint mill, wood grinder mill and accessories ready for operation with a capacity of 50,000 tons of newsprint per annum. As security for this loan, Wayagamack News, Limited, have pledged their issue of $1,500,000 6½ per cent. second or general mortgage fifteen-year gold bonds. The works are all completed and running and sufficient orders have been booked to insure steady operation."

SMALLER PROFITS OF MORTGAGE DISCOUNT

Results Considered Satisfactory in View of the Depression in Real Estate

The abnormal depression in real estate values is referred to by Sir John Willison, president, Mortgage Discount, Limited, in connection with the annual report of that company. The profit and loss account shows net profits of $88,801 for the year ending November 30th, as compared with $95,320 for the previous year, but Sir John expresses confidence on the part of the directors that when the shareholders carefully scrutinize the balance sheet they will appreciate the results achieved. The surplus has increased to $101,064 and the discounts allocated by the auditors which will be available as profits when they mature have increased to $122,252. Improvement in the volume of assets at $1,838,972 is shown and the president explains that "the same cautious selection of investments has been pursued." Following are comparative profit and loss figures:

	1925	1924
Net profit	$ 88,801	$95,320
Forfeiture of stock	1,529	......
	$90,330	$95,320
Dividends	60,728	59,727
Income tax	8,841	9,922
	$20,761	$25,671
Prev. balance	80,303	54,633
	$101,064	$80,304

INVEST IN A GROWING INDUSTRY
Ottawa River Power
6½% Bonds
Due 1953
Power is being delivered in the City of Ottawa, Canada, and vicinity under contracts which call for the entire present capacity of the plant.
We recommend these bonds for investment.
Price to yield about 6.25%
NESBITT, THOMSON and Company, Limited
305-7 Bank of Hamilton Building
TORONTO
Montreal Hamilton
Winnipeg

Gotfredson Corporation LIMITED
Notice of Dividend
Notice is hereby given that a Quarterly Dividend of 37½ cents per share, being at the rate of $1.50 per share per annum, has been declared for the period ending December 31st, 1925, payable January 15th, 1926, to shareholders of record at the close of business December 31st, 1925.
By order of the Board,
M. H. Coleman, Secretary-Treasurer.
Walkerville, December 19th, 1925.

MAY we extend to our many friends and clients our hearty Christmas greetings and our appreciation of their patronage during the past year.
F. R. GRAHAM & Co.
MEMBERS TORONTO STOCK EXCHANGE
293 BAY ST. ~ TORONTO 2

Canadian Car & Foundry Company, Ltd.
ANNUAL MEETING
Notice is hereby given that the Annual General Meeting of Shareholders of the Canadian Car & Foundry Company, Limited, will be held at the Head Office of the Company, 307 Craig Street West, Montreal, on Thursday, the 14th day of January, 1926, at 12 o'clock noon, to receive and consider the Annual Statement of the business and affairs of the Company, for the election of Directors and for the transaction of such other business as may properly come before the meeting.
By order,
A. C. BOURNE,
Secretary.
Montreal, Dec. 22nd, 1925.

BUSINESS ADMINISTRATION
is one of the strong Home Study Courses given by the Shaw Correspondence School of Toronto. It is but one of our 26 Practical Courses which include among others, Higher Accounting, Economics, Advertising and Banking for Associate's Certificate. Particulars on request. Write W. R. Shaw, Registrar, Dept. P, 46 Bloor St., Toronto.

Co-operative Elevator Co. Reports Profit of $377,871

REGINA.—A profit of $377,871.92 for the year ended July 3 was reported to 500 shareholders of the Saskatchewan Co-operative Elevator Co., Ltd., by the directors. A dividend of eight per cent. amounting to $191,730.84, was paid to shareholders and recommendations as to the disposal of the balance, $186,141.28, will be laid before the meeting of the directors either this afternoon or Thursday morning.

DRYDEN'S POSITION BETTERED

MONTREAL.—The affairs of Dryden Paper Company have taken a decided turn for the better, and the stock has worked into a somewhat firmer position. It is reported that the operations are showing a net profit and this is indicated by the stock selling at $9 this morning and it would appear that the position of the shareholders to-day is immeasurably better.

Wayagamack Pulp & Paper Company, Limited

Head Office and Works: THREE RIVERS, P. Q.

DIRECTORS

C. R. WHITEHEAD, President and General Manager.
JAMES W. PYKE, Vice-President.
HUGH MACKAY, K.C.
ALEX. MACLAREN
G. H. DUGGAN
NORMAN J. DAWES
J. FRATER TAYLOR

THIRTEENTH ANNUAL REPORT

Three Rivers, P.Q., December 17th, 1925.

Your Directors submit the Thirteenth Annual Report of the Company, together with Balance Sheet as at November 30th, 1925, and Profit and Loss Account for the year ended that date.

The earnings for the twelve months, after making provision for Income Tax, but before providing for Interest on Bonds, Depreciation of Buildings and Plant, and Depletion of Limits, amounted to $1,189,268.44.

Your Directors have thought it advisable, at this time, to write off the Bond Discount Account against the General Reserve and to transfer the balance of the Reserve to the credit of Profit and Loss Account.

In order to carry out the building of the Newsprint Mill, which you authorized in 1924, Wayagamack News Limited was incorporated with two thousand shares of Common Stock, every share of which is held by your Company. Wayagamack News Limited obtained £425,000 through the British Trade Facilities Act, and your Company also sold $1,500,000 6½% General Mortgage and Collateral Trust Gold Bonds to enable them to advance by way of loan to Wayagamack News Limited such an amount as might be required to complete the erection of their Newsprint Mill, Wood Grinder Mill and accessories ready for operation with a capacity of 50,000 tons of newsprint per annum. As security for this loan, Wayagamack News Limited have pledged their issue of $1,500,000 6½% Second or General Mortgage Fifteen-Year Gold Bonds. The works are all completed and running and sufficient orders have been booked to insure steady operations.

Your Directors desire to record their appreciation of the faithful and efficient service rendered by the officers, staff and employees of all departments throughout the year.

The Accounts have been audited by Messrs. Riddell, Stead, Graham & Hutchison, and their report is appended hereto.

Submitted on behalf of the Directors.

C. R. WHITEHEAD,
President.

BALANCE SHEET AS AT 30th NOVEMBER, 1925

ASSETS

CURRENT ASSETS:				
Cash on Hand and in Bank			$ 80,350.80	
Accounts and Bills Receivable: Less Reserve for Bad and Doubtful Debts			870,857.75	
INVENTORIES:				
Pulpwood, Logs and Lumber		$1,043,127.22		
Stores, Chemicals and Fuel		339,854.60		
Pulp and Paper		46,408.83		
Logging Expenses, Season 1925-26 including Supplies at Depots		401,970.59		
			1,831,361.24	
				$2,782,569.79
Investments				36,576.00
Loan to Wayagamack News Limited, Secured by $1,500,000 6½% 15-Year Second or General Mortgage Bonds				1,350,000.00
FIXED ASSETS:				
Buildings, Plant, Machinery, etc., as at 30th November, 1924			$5,818,199.21	
Expenditure during year			7,657.96	
				5,825,857.17
Property, Limits, Real Estate, etc., as at 30th November, 1924			$5,849,538.58	
Expenditure during year			7,350.00	
			$5,856,888.58	
Deduct for Stumpage (depletion)			111,541.92	
				5,745,346.66
				$15,740,349.62

LIABILITIES

CURRENT LIABILITIES:				
Accounts Payable, Accrued Charges and Provision for Income Tax			$ 602,029.03	
Accrued Interest on Bonds			119,317.72	
				$ 721,346.75
Bonds, 6% 40 Year First Mortgage:				
Authorized and Issued			$5,000,000.00	
Less Bonds Redeemed and Bonds Cancelled for Sinking Fund			659,000.00	
				4,341,000.00
Bonds, 6½% 5-Year General Mortgage and Collateral Trust Gold Bonds: Authorized and Issued				1,500,000.00
CAPITAL:				
Authorized and Issued, 50,000 Shares of $100 each fully paid				5,000,000.00
Reserve for Depreciation and Sinking Fund				2,196,038.72
PROFIT AND LOSS:				
Balance as at 30th November, 1924			$1,197,291.90	
Balance from General Reserve			223,756.66	
Add: Profit for year after providing for Income Tax		$1,189,268.44		
Deduct:				
Bond Interest	$336,810.93			
Bond Discount	20,000.00			
Depreciation	160,000.00			
Stumpage (Depletion)	111,541.92			
		628,352.85		
			560,915.59	
				1,981,964.15
				$15,740,349.62

NOTE:—Wayagamack Pulp and Paper Company, Limited, have guaranteed the £425,000 5% Guaranteed Debenture Stock, due 1940, of Wayagamack News Limited, and have undertaken to lease and operate the plant of Wayagamack News Limited for a period of fifteen years from the date of completion of the Plant.

Montreal, 14th December, 1925.

Signed on behalf of the Board:
JAS. W. PYKE,
HUGH MACKAY,
Directors.

Verified as per our Report of this date
RIDDELL, STEAD, GRAHAM & HUTCHISON, C.A.,
Auditors.

REGINA TO HAVE NEW HOTEL

REGINA. — An hotel of 110 rooms, costing approximately $250,000, is to be built next spring in Regina on the corner of Eleventh Avenue and Rose Street, adjoining the Wood Block.

The structure which is to be of reinforced concrete and brick, will be built by the owner of the site, Geo. Broder, and will be operated by Champ Brothers, who are at present conducting a well-known hostelry on the corner of South Railway and Rose Street, facing the C.P.R. depot.

Public Utilities

FARE INCREASE FOR TWIN CITY IS SATISFACTORY

Early Increase in the Dividend is Now Being Looked for

The decision has been given on the points governing the fares to be charged by Twin City Traction Company, and it is even more favorable than had been generally anticipated. The rate has been fixed by the Railroad and Warehouse Commission of Minnesota at eight cents, with six rides for 40 cents, effective January 1, replacing experimental fare in effect the past six months of eight cents, with ten rides for 60 cents. This increase of two-thirds of a cent. per ride will give the company a 7½ per cent. return on valuation, the state commission estimates. The strength of the shares of the company on the market during recent trading is explained by this favorable decision, which seems to remove the last obstacle in the way of better earnings and increased dividends. An increase from 4 to 6 per cent. is now definitely anticipated.

It is possible to compute approximately what the new scale of fare means to the company. The net revenue for 1924 after all charges and prior to dividends was $1,269,010, equivalent after preferred dividends to 4.81 per cent. on the 220,000 shares of common. The prevailing rate of fare in 1924 was 6 cents. On the basis of a similar number of passengers carried in 1926 as in 1924—209,000,000 fares, and with an extra .66 cents received from each fare, the increase in gross should amount to practically $1,380,000. As this additional revenue would involve no extra operating outlay, the bulk of this item would be carried through to net. Establishing $1,000,000 as the minimum of increment in net, which remains after liberal provision for all likely contingencies, an additional sum ranging slightly under $5 per share would be available for common, bringing the total net earnings not far from ten per cent.

While passenger traffic has shown a tendency to decline in the past two or three years, the Twin City Co. has been active in the purchase of competing bus lines, and has bought control of all lines operating in and between the two cities except one or two. These lines will in future act as feeders rather than competing factors.

MORE ISSUES FOR EXCHANGE

MONTREAL.—Five more issues will be traded in in the unlisted section of the Montreal Stock Exchange, it is announced by the management committee. These new stocks are the new Asbestos Corporation common and preferred, when, as, and if issued; Belding Corticelli Silk, common and preferred; Dryden Paper; and Montreal Water and Power, common and preferred.

Bond House Acquires and Merges Power Cos.

From Our Own Correspondent.

MONTREAL.—It was announced this week that Credit Canada has acquired La Cie de Lumiere Electricque de Saint-Guillaume d'Upton, which furnishes light to St. Guillaume and the surrounding district in the county of Yamaska. A plan is under way to merge this company with the South Shore Light, Heat and Power Corporation, which serves territory along the Richelieu River. It is understood that a bond issue will probably be made for the new company which is being formed to take over the two properties for the purpose of extending power facilities to a number of municipalities that are not at present being served.

Some Talk of Higher Price for Brazilian Traction

MONTREAL.—For some time there has been quite heavy selling of Brazilian from a source which is now said to have dried up. The selling, which is said to have been without any particular significance, has been very well taken, and it now seems likely that after the weeks of absorption around the 80 level, the stock is in a position to respond very readily to any new buying that may develop. Furthermore, it is learned that there is every likelihood of such buying coming into the market immediately, and it would not be surprising to see the stock go through its former high before the end of the year.

Public Utility Earnings

PUBLIC UTILITY EARNINGS

Southern Canada Power

November—	1925	1924	Increase
Gross Earn.	115,773	94,364	21,409
Oper. Expenses	37,120	42,927	x 5,807
Net Earn.	78,653	51,437	27,216
2 Months—	1925	1924	Increase
Gross Earn.	226,814	186,208	40,606
Oper. Exp.	74,194	85,624	x11,430
Net Earnings	152,620	100,584	52,036

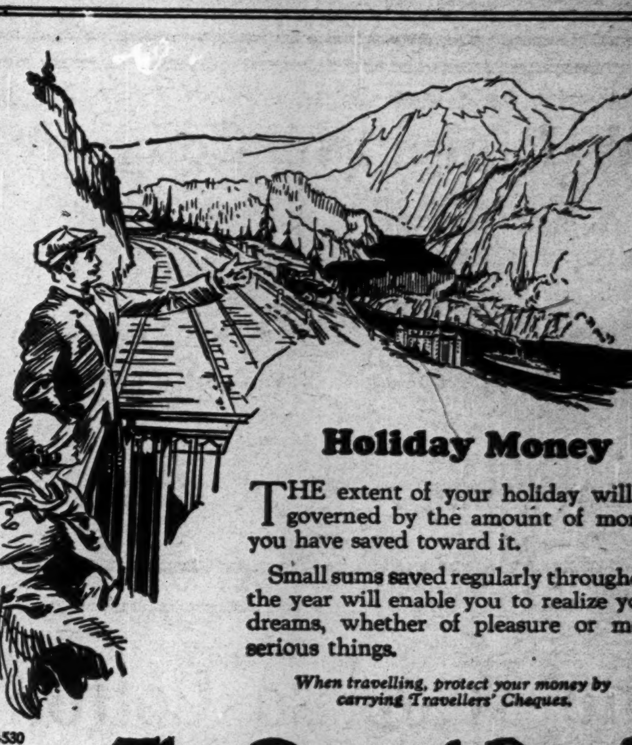
xDecrease.

EAST KOOTENAY POWER

	Oct., 1925	Oct., 1924	Inc.
Gross Rev.	$ 31,676	$ 27,721	$ 3,954
Op. Exp., Taxes, and Maint.	8,268	5,476	2,792
Net	$ 23,407	$ 22,244	$ 1,162
Seven months ended October 31st —	1925	1924	Inc.
Gross Rev.	$223,448	$179,680	$ 43,767
Op. Exp., Taxes and Maint.	54,867	25,158	29,708
Net	$168,581	$154,522	$ 14,058

Winnipeg Electric Company

	1924	1925	Increase
Gross Earn.	$430,185	$476,913	$46,728
Working Exp.	277,987	286,431	8,444
Net Earn.	$152,198	$190,482	$38,284
Aggr. Gross from 1st Jan. to end of Oct.	$4,324,303	$4,357,050	$32,747
Aggr. Net from 1st Jan. to end of Oct.	$1,270,569	$1,455,392	$184,823



Holiday Money

THE extent of your holiday will be governed by the amount of money you have saved toward it.

Small sums saved regularly throughout the year will enable you to realize your dreams, whether of pleasure or more serious things.

When travelling, protect your money by carrying Travellers' Cheques.

G530

The Royal Bank of Canada

Stock Market Record

WEEK ENDING DECEMBER 22

	Div. Rate	Yield Dec. 19	High for wk.	Low for wk.	Close Dec. 22	Close Dec. 15	Sales for wk.	Range High	1925 Low
Banks—									
Commerce	12+1	5.77	225½	225	225	225	291	229½	194½
Dominion	12+1	6.07	218	214	214	217½	45	218½	189
Can. Nationale	10	6.41	156	156	156	155	3	156	148
Imperial	12+1	6.18	211½	209½	211	210	138	211½	184
Montreal	12+2	5.36	262	260½	261	262	179	271	240
Nova Scotia	16	5.68	281	281	281	284	85	285	262
Royal	12+2	5.62	250	248	248	249½	137	255½	227½
Standard	12	6.03	199½	199½	199½	199½	18	200	170
Toronto	12	5.63	213	212½	213	212½	6	217½	192½
Paper—									
Abitibi, com.	4	5.44	74½	71½	72½	74	2441	75½	62
Do. pref.	7	6.36	..	..	..	..	..	110	101
Belgo-Can., com.	6	6.03	..	..	..	..	..	100	80
Do. pref.	7	7.22	96½	96½	96½	96½	275	99½	95
Brompton Pulp	.	....	28	26	26	28	1777	33½	19½
Laurentide	6	6.59	91	87½	89½	89½	8596	91	73
Price Bros., com.	2	3.39	59	53	58	53	1425	59	35½
Do. pref.	6½	6.84	95	95	95	95	65	96½	95
Prov. Paper, com.	6	6.03	99½	99½	99½	103	5	111½	92½
Do. pref.	7	6.89	101½	101	101½	103½	18	103½	95
Smith, Howard, com.	.	....	42	41½	42	42	15	47	21½
Do. pref.	8	8.33	96	95	95½	95	235	106	69½
Spanish River, com.	7	6.66	105	103½	105	105	1713	111½	92½
Do. pref.	7	5.98	117½	115	117	118	106	127	110½
St. Maurice Paper	6	5.88	102½	102	102½	102½	415	104½	80
Wayagamack	.	....	73	72	72	72	.375	73	34½
Steel and Steel Industries—									
B.E. Steel, com.	.	....	2½	2½	2½	2½	30	4½	1½
Do. 1st pref.	.	....	29½	27	27	29	145	36	22
Do. 2nd pref.	.	....	9½	9	9½	9½	554	14½	6½
Can. Car & Found., com	.	....	31½	30½	31	30½	115	57½	30½
Do. pref.	7	9.24	76	75	75½	76	110	90½	74
Can. Fairbanks, pref.	.	....	..	..	..	..	..	46	46
Can. Foundries, com.	.	....	..	..	..	..	..	35	15
Do. pref.	.	....	..	..	..	..	..	50	40
Can. Gen. Elec., com.	.	....	..	..	..	..	..	55	53
Do. pref.	7	6.19	57	56	56½	56½	222	60	50
Canada Iron, com.	.	....	..	..	..	..	..	8	8
Do. pref.	4	....	..	..	..	..	..	40	32
Can. Locomotive, com.	.	....	..	..	..	..	..	72	35
Do. pref.	7	9.33	75	75	75	76	5	90	73½
Dodge Bros., com.	.	....	..	..	..	..	..	46½	22
Do. pref.	7	7.91	..	..	..	..	..	89½	80½
Dominion Coal	.	....	..	..	..	..	..	50	39½
Dominion Iron, pref.	.	....	24	20	24	24	10	30	20
Dominion Bridge	4	4.23	95	94	94½	95	110	104	77
Dom. Radiator, pref.	7	6.89	..	..	..	..	..	102½	98½
Dom. Steel Corp., pref.	.	....	..	..	..	..	..	38	20½
Ford Motor	10	....	..	..	..	..	..	512	488
Gould Mfg., com.	6	6.00	..	..	..	..	..	100	90
N.S. Steel, com.	.	....	..	..	..	..	..	13	8½
Do. pref.	.	....	29	29	29	29	10	32	21
Ontario Steel, com.	4+1	6.94	73	72	73	70	150	75½	41
Do. pref.	7	6.86	..	..	..	..	..	102	91½
Russell Motor, com.	.	....	..	..	..	..	..	44½	24
Do. pref.	7	8.28	..	..	..	..	..	88	74½
Sawyer-Massey, com.	.	....	..	..	..	..	..	1	1
Do. pref.	.	....	..	..	..	..	..	20½	5
Steel of Canada, com.	7	7.17	97½	97	97	97	391	99½	80
Do. pref.	7	6.08	115	114½	114½	114½	114	115½	105
Milling and Foodstuffs—									
Atlantic Sugar, com.	.	....	33	30½	30½	33	1830	37½	18
Do. pref.	.	....	81	80	80	82	195	88½	40
B.C. Fishing	.	....	62½	58½	59½	60	1602	64½	19
Canada Bread, com.	.	....	60	58	60	60	158	65	39½
Do. pref. (A)	7	6.63	105½	105	105	107	20	108	100
Do. pref. (B)	7	7.29	96	96	96	97	62	97	85½
Can. Canners, com.	.	....	14	13½	13½	13½	312	15	11½
Do. pref.	2½	....	67½	66½	66½	67	1046	69½	58½
Canadian Salt	8	5.71	..	..	..	..	..	154½	112
Christie Biscuits, com.	.	....	62½	62½	62½	62	205	64½	31½
Do. pref.	7	5.93	..	..	..	..	..	118	109½
Can. Bakeries, com.	.	....	35	34	35	36	10	40	31
Do. pref.	7	7.36	95½	94½	95½	95	105	96	93
City Dairy, com.	12	3.75	80	77	78	76	157	90½	65
Do. pref.	7	6.48	..	..	..	..	..	110	104½
Cuban Can. Sugar, com.	.	....	..	..	..	..	..	10	3½
Do. pref.	.	....	25	25	25	26	25	44½	25
Dominion Stores, com.	1.00	....	60½	60½	60½	61½	48	72½	28½
Do. pref.	8	7.47	..	..	..	..	..	109	97½
Do. Rights	.	....	..	..	..	..	..	12½	4
Wm. Davies (A)	.	....	36½	35½	35½	35½	125	36½	24
Inter. Milling, pref.	7	6.81	108	102½	102½	103	35	108	96½
Kake of Woods, com.	12	6.93	176	173	173	175	168	193	169
Do. pref.	7	6.03	..	..	..	..	..	125½	115
Maple Leaf Mill, com.	.	....	95	94	95	94½	68	100	80
Do. pref.	7	6.73	105	104	105	104½	16	105	98
Ogilvie Flour, com.	5+3	4.84	..	..	..	..	..	180½	135
Do. pref.	7	5.73	..	..	..	..	..	127	120
Pure Gold Mfg.	50c	....	..	..	..	..	..	27	21
Shredded Wheat	10	5.91	171½	168½	170½	170½	177	171½	148
St. Law Flour, com.	.	....	39	37	39	36	150	65	27
Do. pref.	7	8.33	..	..	..	..	..	84	78½
West. Can. Flour	8	6.66	..	..	..	..	..	120	104½
Western Grocers, com.	.	....	10½	10	10	11½	105	14½	4½
Do. pref.	.	....	51	50½	50½	50½	60	54	33
Utilities—									
Bell Telephone	8	5.65	141½	140½	140½	141½	314	142	132½
Consumers Gas	10	5.78	174	172½	174	177	56	177	164
Inter. Utilities (A)	.	....	..	..	..	..	..	40½	35½
Jamaica Pub. Ser., pref.	7	7.29	97½	96½	96½	98	25	98½	96½
Kaminisquituia	8	5.71	..	..	..	..	..	140½	100
Laurentide Power	5	4.34	115	115	115	108	15	115	93½
Mackay, com.	7	5.22	135½	134	134	135	343	142	114½
Do. pref.	4	5.55	72½	72	72½	72	183	77½	67
Mexican Light, com.	.	....	29	29	29	30½	240	34	22
Do. pref.	.	....	..	..	..	..	..	64	57
Mont. L. H. & Pr. Cons.	8	3.72	215½	214	212½	214½	1481	220	152
Montreal Telegraph	8	6.29	51	51	51	50	9	55	45
Ottawa L. H. & Pr., com	6	6.12	98	98	98	98½	16	103½	95
Do. pref.	6½	6.43	100	100	100	100½	5	109	100
Quebec Power, com.	5	4.50	113	110	113	110	115	119	85
Do. pref.	7	6.14	..	..	..	..	..	115	103½
Shawinigan	8	4.67	172	166	172	166	1351	175	130½
South Can. Power, com.	1.00	....	80	80	80	80	108	84	67
Transportation—									
Can. Pacific Rly.	10	6.80	148½	146	147	146	128	152½	137
Can. Steamships, com.	.	....	11	11	11	11	320	13½	10
Do. pref.	.	....	55½	55	55½	55	877	64½	42
Tractions—									
Barcelona	.	....	30	29	29	29	1426	30	18½
Brazilian, com.	4	4.95	81½	80	80½	81½	13483	83½	49½
Do. pref.	6	6.18	98½	97	97	98½	35	99	95
Detroit Un. Rly.	.	....	3½	3½	3½	3	50	29	½
Duluth-Superior	.	....	32½	28½	30	32½	285	42	28½
Illinois Traction, pref.	6	6.25	..	..	..	..	..	96	92
Montreal Trams	10	5.60	..	..	..	..	..	187	160
Ottawa Traction	4+1	7.81	..	..	..	..	..	66½	61
Porto Rico Rlys., com.	.	....	41	41	41	41	25	46½	35½
Do. pref.	7	7.77	..	..	..	..	..	91½	84
Quebec Rly.	.	....	..	..	..	..	..	24½	20
Twin City, com.	4	5.51	73½	71½	73½	71½	1152	75	58
Do. pref.	7	....	..	..	..	..	..	97	94½
Winnipeg Elec., com.	1	....	48½	47½	47½	48	944	53½	94½
Do. pref.	7	7.36	95	94½	95	97	53	99½	87
Textiles—									
Can. Conn. Cotton, pref.	1	....	48½	48	48½	50	60	51½	39
Can. Converters	7	7.40	95	91½	95	91	518	95	80
Can. Cottons, com.	8	6.72	..	..	..	..	..	124½	106
Do. pref.	6	6.28	96½	95½	95½	96½	41	96½	90
Can. Woollens, com.	.	....	..	..	..	..	..	15	5½
Do. pref.	.	....	..	..	..	..	..	61	40
Dom. Textile, com.	5	5.55	90	89½	90	90	303	95½	66
Do. pref.	7	5.88	119	119	119	118½	2	119	111
Monarch Knitting, com.	.	....	..	..	..	..	..	45	30
Do. pref.	.	....	50	50	50	56	25	80	45
Montreal Cottons, com.	6	5.79	103½	103½	103½	102½	26	105	95
Do. pref.	7	6.25	115	114½	115	112	50	117½	109
Penmans, com.	8	4.39	183	182	183	183	90	185	144
Do. pref.	6	5.71	105	105	105	103	9	105½	99
Wabasso Cotton	4	6.06	..	..	..	..	..	66½	55½
General Industrials—									
Amer. Salesbook, com.	4.00	6.34	63	60½	63	60	207	61	38
Do. pref.	7	7.44	94	94	94	93½	26	94	88
Asbestos Corp., com.	6	6.25	96	94½	96	95	407	98	35
Do. pref.	6	5.17	116	114	116	114½	1292	117	73½
Bird & Son, pref.	7	8.40	..	..	..	..	..	83½	80
Brantford Cordage, pref.	2	....	26½	26½	26½	27	20	28	25
Burt, F. N., com.	12	4.83	62	62	62	63½	250	67	44
Do. pref.	7	2.76	..	..	..	..	..	253	142½
Canada Cement, com.	6	5.76	104½	103½	103½	103½	840	114	90½
Do. pref.	7	6.03	116	115	116	115½	122	117½	107
Cons. Rubber, pref.	7	7.95	88	88	88	88	50	90	85
Can. Indust. Alcohol	1.28	7.75	17	16	16½	16	2350	20½	14
Carr. Factories, com.	.	....	..	..	..	..	..	2½	1
Crows Nest Coal	6	....	..	..	..	..	..	55½	35
Dom. Glass, com.	7	8.04	89½	83	85½	90	970	116½	83
Do. pref.	7	6.25	..	..	..	..	..	115	110½
Eastern Theatres, com	.	....	18½	18½	18½	18½	22	19½	14
Do. pref.	7	8.23	..	..	..	..	..	88	70
Gilman, com.	6	5.71	..	..	..	..	..	108½	80
Do. pref.	7	6.22	114	113½	114	112½	48	116	100
Goodyear Tire, pref.	7	7.40	94½	94½	94½	94½	35	100½	90
Holt Renfrew, pref.	7	8.33	84	84	84	84	30	84	65
King Ed. Hotel	.	....	..	..	..	..	..	32	20
Lyall Construction	.	....	21	21	21	24	50	29	11
National Brew., com.	4	7.04	57	55	56½	55½	6504	68	42
Do. pref.	7	6.48	108	108	108	105½	20	110	98
National Brick, com.	.	....	..	..	..	..	..	18	15
Do. pref.	7	9.72	72	72	72	71½	5	79½	70
Pacific Burt, com.	6	6.74	89½	89	89½	88	42	96	87
Do. pref.	7	6.82	..	..	..	..	..	107	100½
Port Hope Sanitary, com	.	....	..	..	..	..	..	85	53
Do. pref.	7	7.07	..	..	..	..	..	100	88
Rogers, Wm., com.	.	....	48	48	48	50	10	65	48
Do. pref.	7	7.77	..	..	..	..	..	95	88
Sherwin-Williams, com.	6	4.93	121½	121	121½	122	60	130	115
Do. pref.	7	6.18	113½	113½	113½	113½	10	114	104½
Sterling Coal	4	....	39	39	39	40	4	53	39
Tooke Bros., com.	.	....	..	..	..	..	..	8	8
Do. pref.	.	....	..	..	..	..	..	62½	37
Tuckett Tobacco, com.	4	5.99	66½	66½	66½	67	20	70	59
Do. pref.	7	6.79	103	103	103	102½	30	103	96½
Woods Mfg., com.	.	....	43	40	40	45½	40	49	20
Do. pref.	7	8.75	80	80	80	80	25	80	64½
Trust and Loan—									
Canada Landed	10+1	5.85	..	..	..	..	..	97	80
Can. Permanent	12	5.94	202	201	201	201	36	208	190
Colonial Invest.	6	....	6½	6½	6½	5	16	6½	4
Hamilton Prov.	10	6.41	..	..	..	..	..	156	154
Huron & Erie	7	5.51	..	..	..	..	..	130	125
Landed Banking	9	6.16	..	..	..	..	..	146	142
Montreal Loan	12+1	6.50	..	..	..	..	..	50	48
National Trust	12	5.26	..	..	..	..	..	228	210
Ontario Loan	11	5.33	..	..	..	..	..	105	99
Real Estate Loan	7	8.23	..	..	..	..	..	88½	85
Toronto Gen. Trusts	12	5.42	221	221	221	10	10	221	208
Toronto Mortgage	10+1	5.97	..	..	..	..	..	92	87½
Union Trust	7	7.77	..	..	..	..	..	90	85½
THE CURB MARKET									
Brit. Amer. Oil	8+2	5.10	49½	48½	48½	49	1660	49½	36½
Can. Oil, com.	.	....	59	59	59	58	115	60	38
Do. pref.	8	....	..	..	..	..	..	100	97
Continental Oil	25c	1.02	25	24½	24½	25	212	29	22½
Imperial Oil	1.00	2.63	38½	37	37½	37½	4213	38½	27½
Inter. Petroleum	75c	2.22	34½	32½	33	33½	2245	35½	22½
Dryden Power	.	....	8½	8	8½	..	170	8½	8
East. Engineering	.	....	1½	1½	1½	2	5	2	1½
Good. & Worts	1½	3.15	192	188½	192	185	285	200	120
North Star Oil, com.	.	....	.95	.95	.95	1.00	25	1.60	.75
Do. pref.	7	....	4.50	4.50	4.50	4.50	450	4.50	3.90
Simpsons, pref.	6	6.00	100	99½	100	100	8	100	99½
St. Maur. Power	.	....	77½	77	77	77	36	77½	75
Pressed Metals	.	....	30	30	30	..	6	30	30
Volcanic Oil	62c	2.21	29	28½	28½	29	130	31	24

UNLISTED SECURITIES

Industrials, Utilities, etc.—

	Bid	Asked
Brooks Steamer (1 pref, 2 com.)	4	6
Can. Machinery, com.	4	7
Can. Machinery, pref.	13	17
Can. Westinghouse, com.	152	155
Cockshutt Plow, pref.	51	..
Cosgrave Brewery	4	4½
Dom. Combing (1 pref, 2 com)	25	35
Dom. Power, pref.	93	95
English Electric, com.	14	16
English Electric, pref.	56	59
Famous Players, com.	11	12½
Gunns, Ltd., pref.	33½	36
Gotfredson Truck, com.	24½	25½
Imperial Tobacco	6	7
King Edward Hotel, Deb. A	74	78
King Edward Hotel, Deb. B	54	56
K. & S. Tire, pref.	7	11
Loew's Toronto, com.	30	33
Loew's London, com.	2½	3½
Loew's Ottawa, pref.	11	15
Massey-Harris	64	68
Mount Royal Hotel, com.	6	7
Mount Royal Hotel, pref.	43	44½
North Mexico Power, com.	50	52
R. Simpson, pref.	99½	..
Willard's, pref.	72	76
Loblaw Groceterias, com.	56	59
Capital Life 25% Paid	22	25
Continental Life 20% Paid	33	..
Crown Life	120	..
Empire Life	22	..
Excelsior Life 26% Paid	39	..
Great West Life	350	..
Imperial Life	170	..
Monarch Life 10% Paid	16	17½
Manufacturers Life 20% Paid	76	..
Montreal Life 20% Paid	27	..
National Life 25% Paid	47	..
Re-insurance	11	14½
Security Life 40% Paid	[illegible]	[illegible]
Sovereign Life 25% Paid	[illegible]	[illegible]
Sun Life 50% Paid	[illegible]	[illegible]
Comm. Finance, pref.	60	[illegible]
Comm. Finance, com.	11	13
[illegible] Finance 50% com.	1½	3
Mortgage Dis., pref.	[illegible]	7½
Toronto Finance, pref.	[illegible]	[illegible]

The Laurentide Company
Limited

Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper

GRAND'MERE -:- QUEBEC

The Wabasso Cotton
Company, Limited

THREE RIVERS, P. Q.

Manufacturers of Fine White Cotton,
also Spinner's Fine Counts of Yarns

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LIMITED
MONTREAL, P.Q.

ENGINEERS, MANUFACTURERS *and*
ERECTORS *of* STEEL STRUCTURES

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The sale of "Maple Leaf Anti-Freeze"
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Toronto and Montreal

Iron and Steel

BESCO BENEFITS FROM OPERATION PLANT COUNCIL

Increased Efficiency and Higher Production Result

From Our Own Correspondent.

SYDNEY.—Although it has not revolutionized the industry by any means, substantial success has been attained by the Employees' Representation Plan, or plant council system, inaugurated at the Besco steel works in this city about three years ago, following the riotous strikes of 1923. Some of the beneficial results have been:

(1) Prompt attention to minor grievances which formerly went unheeded and created fertile soil for the efforts of agitators when important issues came along;

(2) More equitable distribution of available employment when work is below normal;

(3) Better feeling between officials and workmen due to the chance given them to rub elbows and exchange viewpoints;

(4) Increased efficiency in the mills and higher production, due to suggestions put forward by the men through their committees, and better understanding of necessary economy measures introduced by Vice-president McLurg.

The third annual election took place recently, and among the 25 councillors chosen were nine who had served before, four of them—Louis Fulton, Alfred MacDonald, John W. Archibald and Angus Munroe—having been members continuously since its inception. The re-election of these men indicates, workmen say, that the idea that the committees were to be company dominated has passed away. These committeemen have been able to give valuable service and have been rewarded by the confidence of their comrades.

The elections are held absolutely free from official supervision, by a returning officer chosen by the men. The ballot is secret. The men's committee meets at certain periods, and joint sessions of officials and labor representatives are held several times a month. All meetings are held in the company's time and the members are paid their vocational rates for hours so occupied.

ENGINEERING CO. TO BE LIQUIDATED

Process Will be Voluntary and Complete Reorganization is Arranged to Follow

From Our Own Correspondent.

MONTREAL.—The Eastern Engineering Company is to go into voluntary liquidation and will then be reorganized. This was decided at the meeting of the shareholders held last week. Details of the projected re-organization have not been completed. and shareholders will be asked to give their views as to the proper steps to be taken. but it is understood that the plan entails an assessment of about $2 per share. with provision also for the shareholders who are unable to meet this assessment.

The company has received a cheque for $15,000 from the U. S. government representing the amount due on the completion of the first test conducted on its engine at the Philadelphia Navy Yard, for the aviation department. This was a five hour test and on the completion of the test of the three additional hours, another $10,000 will be forthcoming.

At the shareholders' meeting last week, H. V. Attendu, the president, who occupied the chair, told of the reception of this cheque. He stated that trouble had been encountered in the second test, but this was not of a fundamental nature and it was expected that this would be overcome and the second test completed shortly.

He pointed out also that publicity which the company had obtained in the United States had resulted in a great number of inquiries from manufacturing firms desiring to obtain licenses to manufacture the engine.

It was stated at the meeting that the receipt of the cheque from the U. S. government was taken by the directors as the virtual acceptance of the engine.

The future of this company depends upon the success of its patented engine and it was pointed out that the outlook is brighter, but it cannot be expected that money will begin to come in to the company immediately. It was further pointed out that advances had been made to the company by its directors, and that the time was at hand when the shareholders should assume their share of the burden.

It came out at the meeting that the directors who had made these advances to the company had no lien on its assets and that they were merely ordinary creditors and that the claims of those putting new money into the enterprise at this time would be prior to any previous claims, including those of the directors in question.

Second Letter Sent to Shareholders of "Car"

From Our Own Correspondent.

MONTREAL.—A second letter to the shareholders of the Canadian Car and Foundry Company with a request for proxies has been forwarded to the shareholders by A. Hicks Lawrence.

Judging from the tone of the letter, it would appear that Mr. Lawrence expects to be removed from the board of directors at the next annual general meeting, to be held in January. In presenting his case to the shareholders, he goes back to the old days of the company in 1916-17 and 1918, at which time, there seems to have been certain irregularities which did not meet with the approval of the shareholders.

However, many changes were brought about in 1917, and at the present time the shareholders' interests are safeguarded by a strong group of Montreal business men. It is probable that shareholders in "Car" are satisfied with the present executive and will pay but little heed to Mr. Lawrence's rather vague charges.

BESCO PRODUCTS IN GOOD DEMAND

Busy Winter in the Coal and Steel Industries in Cape Breton

From Our Own Correspondent.

SYDNEY—Indications of a busy winter for Cape Breton coal and steel industries accumulate daily. At the present time two blast furnaces, all the open hearths, two batteries of coke ovens, blooming, rod, billet, wire, fence and nail mills are working full blast at Sydney steel plant with 2,700 men employed. The basic steel output is about 1,000 tons of ingots daily.

There is a big demand for Besco steel products in the British Dominions and elsewhere, and almost every vessel touching here carries away a part cargo of wire, wire fencing, or nails "going foreign."

On the coal side, big production marks are set daily, with the Dominion coal pits turning out around 15,000 tons, with a total of over 20,000 daily for the island and mainland. Sydney harbor is full of ships rushing coal cargoes coastwise; and the company on December 16 began the banking of about 200,000 tons at Sydney. With the steel plant using 3,000 tons a day, if shipping continues brisk, an exceptionally good winter is anticipated.

Employment is also reported steady at the Trenton steel plant of Besco.

The only drab spot in the picture is Dominion No. 6, where the mine is still full of water, and the men have had only 14 days work since January, 1925. Destitution is extreme and the provincial and county authorities are now endeavoring to arrange a loan or some other means of tiding the unfortunate people over the winter.

MOTORS SUPPLEMENT RAILWAYS' SERVICE

Seventy-two Steam Roads Use Trucks and Buses to Increase Their Capacity

The rapid expansion in the use of motor trucks as an adjunct to the railways is shown in an analysis just completed by the Motor Truck department of the National Automobile Chamber of Commerce of the United States. Fifty-one steam railways are shown as using motor trucks to handle freight as compared with thirty-three a year ago. Twenty steam railways or their subsidiaries are now using more than 219 motor buses. Of the railroads using trucks. thirty are doing so under contracts with terminal companies by which less than carload freight is interchanged. Thirteen other roads use trucks. Twenty-two railroads supply truck service. eight to replace trains carrying package freight and ten to give store-door delivery in some form.

Ten of the railroads using motor buses have established routes parallel to some of their rail lines; five have substituted bus for rail service on branch lines, while two are using buses as feeders through territory not previously served by rail. Three railroads are making use of buses through arrangements made with bus operators as to ticket interchangeability or as to service in place of discontinued local trains.

More extensive use of trucks in the future is indicated by replies showing that fifteen roads are studying the possibilities of transporting freight by truck, contemplating either installing them for the first time or adding to their present truck services.

Greater Use in Sight

That buses will also be used in increasing numbers in the near future is forecast by the fact that eighteen railroads not now using them are contemplating the auxiliary use of buses. Of these, twelve may substitute them for branch line trains. seven consider using them on new feeder routes. and seven are studying the advisability of operating buses on roads paralleling some of their rail lines. More than 496 gasoline or gas-electric rail coaches are being operated by 190 steam and electric railroads. One year ago 483 rail motor vehicles were shown to be in use on 174 lines.

Twenty-six of these roads are considering additions to this type of service. having ordered thirty-eight more units. Twenty roads were considering additional rail motor equipment at this time last year. Eighteen other rail lines not now using such vehicles are considering initial installations.

These figures were taken from data supplied by 201 officials representing 174 railroads and from other sources believed to be reliable. In the survey made a year ago 140 officials representing 125 roads supplied information.

QUEBEC'S TOURIST TRAFFIC

QUEBEC.—During the tourist season of 1925, 250,000 automobiles entered the province of Quebec from the United States and other Canadian provinces. This estimate has been prepared by the Quebec Automobile Club which draws its information from official and semi-official sources. On the basis of four persons to a car, it would appear that one million persons came into the province of Quebec by automobile during the past season. Each of these is estimated to have spent at least twenty dollars. Quebec therefore benefited to the extent of $20,000,000.

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Limited

Manufacturers of
Groundwood, Sulphite Pulp and
Newsprint Paper

MILLS AT
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HEAD OFFICE:
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DOMINION TEXTILE CO., LIMITED

PRUE

MANUFACTURING

ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES

AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.

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Pulp and Paper

PRICE BROTHERS' AND LAURENTIDE'S MOVE UNEXPLAINED

Certain That These Companies are Not Connected With St. Maurice-Belgo Merger

From Our Own Correspondent.

MONTREAL.—The Financial Post learns from an authoritative source that the rise in Price Bros. and Laurentide's stock is in no way connected with the merger which has just taken place in the St. Maurice River Valley.

This being so, holders of Laurentide and Price Brothers' stock must look elsewhere for an explanation of the appreciation which has occurred in both common stocks. Coincident with the rise in Price Brothers, rumors made their appearance indicating the possibility of a merger between this company and Laurentide. This rumor, The Financial Post learns, is also without foundation.

Both Price and Laurentide sell their output through the one agent, the Canadian Export Paper Company; and as they are situated on different watersheds, little or nothing would be gained by such a merger.

Then there is another explanation for the upward move; that is, they are both being operated by pools. If this be the explanation, then those who have bought for a quick turn had better take their profits and leave a profit in for the ~~next~~ man—otherwise there will be many who, as the saying goes, "will be left holding the bag when the plug is pulled."

Perhaps Laurentide Negotiates

On the other hand, there is the thought in many investors' minds that Laurentide may be negotiating with the International Paper Company. It is impossible to obtain any confirmation or refutation of this story. Again, it is known that this stock has been going into strong hands of late; into the hands of those who are best equipped to know of its value. It is possible that the reason for this lies in some switch in connection with Laurentide's valuable power subsidiary, the Laurentide Power Company, which supplies the parent company with its power requirements and also sells its remaining output to the Shawinigan Water and Power Company.

As for the rise in Price Brothers' stock, perhaps there are those who look for increased disbursements to the shareholders. This might come, but it appears very unlikely at the present time. The company has its big expansion programme to look after and it still carries on its balance sheet an intangible asset of $1,800,000, which represents an amount wiped out by the landslide at Kenogami over a year ago. Price Bros. is an excellent investment for a long pull, but it is not likely that the board of directors would consider increasing the present rate of disbursement for some time to come.

A considerable portion of the buying of Price Brothers comes from abroad and in some quarters the rise in the stock is attributed to the better realization on the part of investors, both here and abroad, of the great future earning potentialities which this company enjoys.

International Paper Co. Becomes Limit Holder

From Our Own Correspondent.

MONTREAL.—It is anticipated that the International Paper Co. is to become the largest timber limit holder in the province of Quebec and it is reported that it is now contemplating buying much timber in addition to that which was acquired in taking over the Riordon holdings some months ago. It is understood that negotiations have been going on for some time with a view to the acquisition of the timber berths of the Gilmour organization on the upper Ottawa River and that within a few months work will be started on a power development at the Des Chats waterfall.

Whalen Pulp & Paper Reorganization Soon

From Our Own Correspondent.

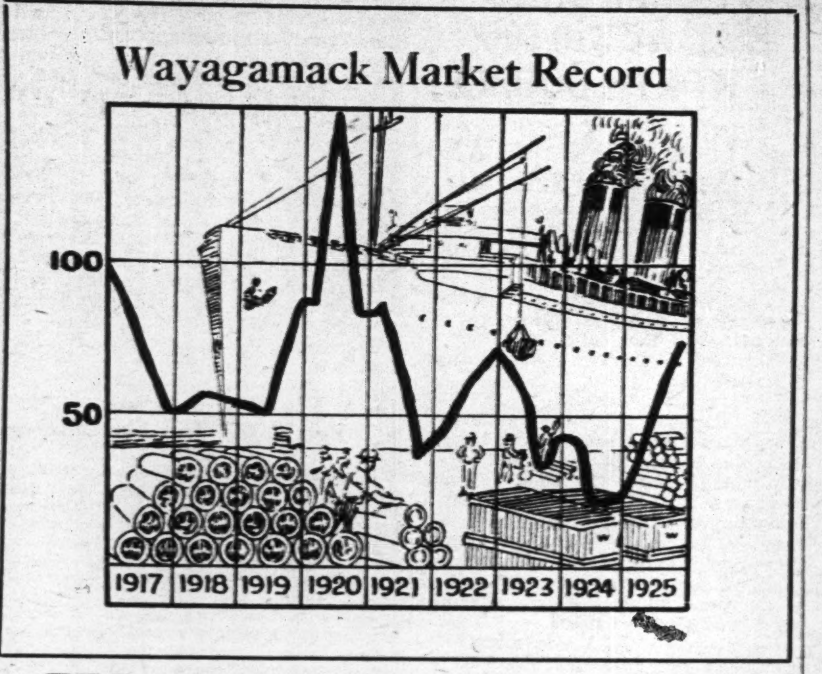
MONTREAL.—The reorganization plans of the Whalen Pulp and Paper Mills, which have been pending since the bondholders acquired the assets of the company at the recent judicial sale, will be carried out early in the new year. Details of this plan are now practically complete. The company's shipments to Japan have been increasing considerably during the past few months. Its two largest mills have been turning out 5,000 tons of sulphite each month for some time and, with the bettered markets, it has been able to earn substantial profits. It is anticipated that the new financial structure will allow adequate returns upon the investment.

Lord Rothermere's Mill to Operate Early in 1927

From Our Own Correspondent.

MONTREAL.—The Quebec government and the Clarke interests have reached a final agreement regarding the construction of a paper mill at the junction of the St. Charles and St. Lawrence Rivers at the City of Quebec. Work on the new plant begins next spring.

Lord Rothermere is understood to hold a controlling interest in the project and is part owner of the timber limits on the Manicouagan River on the north shore of the St. Lawrence. It is from these limits that the raw material for the operation of the mill will come. The entire output, it is said, will be shipped to England, there to be utilized by the Rothmere press. The negotiations and the construction of the mill will be carried out under Frank and Desmond Clarke, and the forecasts are that the new mill will be in operation by the spring of 1927.



Wayagamack Opens Plant

New Newsprint Mill Formally Opened Before Interested Audience — Visitors to Plant Pleased With Plant and Future Outlook

By REILLE THOMSON.

Wayagamack News, Ltd., made a most successful debut at a party held last week by the Wayagamack Pulp and Paper Co., in honor of its debutante daughter. Those invited included directors, shareholders, bankers and newspaper men, many of whom came from Montreal in two C. P. R. cars set apart for their use and arrived at the plant in time for the luncheon festivities.

Those interested in Wayagamack who were prevented from attending the coming-out festivities of its daughter organization, will be interested in learning of the function and more particularly of the daughter whose early career has been launched successfully, and who now steps forth into the newsprint world. Naturally, at first she is shy; until such time as the newsprint machines have been tuned up, the full daily production of 200 tons a day will not be attained. In the meantime both machines of 100 tons capacity are running smoothly and operating to the satisfaction of the management. They have both been in operation for over two weeks, so that, at the time of my visit to the plant, the newsprint was flowing smoothly and rapidly out of the great machines.

The Visit to the Plant

The visitors to the mill on the day of the party were conducted from the station at Three Rivers direct to the Wayagamack Club which is situated at the plant. This building contains a club room, curling rinks and other facilities for the employees' recreation, but on the day of the formal opening of the newsprint plant was entirely given over to the guests. Before the party were conducted over the mill, luncheon was served in the club. In this, as in every other way, the Wagagamack management proved themselves to be charming hosts. At the conclusion of the luncheon, C. R. Whitehead, the president of the company, made a short address in which he pointed out that it took but eleven months, from the time that the company made its decision to enter the newsprint field, to the time that the machines were turning out paper. He concluded by asking the directors to rise and drink the health of the guests. Here the seriousness of the proceedings was interrupted by Norman Dawes who, as he raised his glass, said sotto voce "God bless 'em."

One of the original shareholders of the company, C. S. Hoare, responded by saying that the shareholders were fortunate in being able to have such an efficient management for the property.

The Extensions to Mill

Then the visit to the new plant. The first thing to meet the eye at Wayagamack is the increased proportions of the wood-pile. It has naturally been augmented to meet the increased appetite of the paper machines. It lies on the river immediately adjacent to the mills and during the summer months the logs float down the St. Maurice River to Wayagamack Island. This island, on which the mills' offices and employees' residences are situated, explains the name Three Rivers; for islands at the junction of the river and the St. Lawrance give every indication of three separate streams all flowing into the larger artery.

The extensions to the Wayagamack plant include a groundwood mill, a new boiler house and the newsprint mill. The latter is really an extension of the buildings which house the kraft mills.

The logs come from the wood pile, and go to the new groundwood mill in which is installed the newest type of grinders. These simply consist of huge grindstones which, naturally, are enclosed in metal casings. On to them the logs are forced and at the same time sprayed with water. The result of this operation is groundwood. Those who can recall their schoolboy days will know what groundwood or mechanical pulp looks like. They will remember manufacturing missiles by chewing up bits of paper............ That was groundwood.

Making the Newsprint

The mechanical pulp is then mixed with sulphite pulp in the proportion of about 80 to 20; this adds tensile strength. It is then pumped into the machine room. This is the newsprint plant proper where are housed the two Fourdrinier machines which receive the thin watery pulp at one end and at the other turn out the roll of newsprint paper.

In the machines, the pulp first of all is fed on to a swiftly moving screen. As the pulp is carried horizontally forward on this screen the water simply falls through and leaves a thin sheet of pulp on the screen. It is then carried on and around many heated cylinders about three feet in diameter. These cylinders are placed in a double row one above the other and the paper or pulp—its hard to tell which—moves from the lower to the upper and then back to the lower, and so on until the end of the machine. There it whirls out as newsprint. The process is one of simply obtaining a thin sheet of pulp and then pressing and drying it.

Bad Luck Appears—

In order that the formal opening of the mill might be realistic some breakdown in the power supply occurred during the luncheon. C. .R Whitehead said not a word of this in his speech and hoped for luck.

It is said that the lips of George Henderson, the comptroller of the company, were seen to move as if in silent prayer when he heard the news—whether this be true or not, the fact remains that before the conclusion of the lunch, fortunately the power came on once again.

—And the High Gods Step In

But apparently the high gods required realism at the party for, as the group arrived at the new machines, in one of them the long ribbon of paper broke. This does not sound significant on paper, but it is a time of wild excitement in a mill. In the first place every minute that the machine is not operating costs the company money.

Therefore, whenever a break occurs, the mill is in a hullaballoo for a minute or two until the paper ribbon once again resumes the even tenor of its flow onto the roll at the end of the machine. The workers rush in and try to thread the paper from one swiftly moving cylinder onto another—all the time newsprint is flying wildly round. One man rushes up with a pneumatic hose, which blows the broken paper off the reels and allows the big ribbon, which looks about twelve feet wide, to flow on its course.

Fortunately this break occurred at the very end of the machine, just before the paper winds through what are called the calender rolls. Within a second there were five or six men at the break. One placed a tool on the heated cylinder from which the newsprint was pouring out. This disengaged a strip about a foot wide. Seizing this he passed it with a quick movement to another who was ready to insert it between the calender rolls which were revolving at the same speed at the paper machine. Several times he failed in this effort and each time would seize a fresh strip of paper from the newsprint machine. Finally the small strip ran across successfully and then gradually widened out to the full width of the paper ribbon.

Impressive New Equipment

Finally the new boiler house was visited. It supplies a portion of the power required in the company's output of sulphate pulp and kraft paper, which is made from this pulp, and the groundwood and newsprint.

To laymen, the most impressive thing about the additions to the mills is the neatness of the layout and the machinery. Especially is this noticeable in the newsprint machines which look as if they were built to last at least a hundred years and which, to anyone of a mechanical turn of mind, would prove things of beauty.

The visitors also saw the equipment for producing sulphate pulp and paper. This, however, would require another story.

It was interesting to see the shipping sheds where the first shipment of newsprint was dispatched last week. Here, too, were bales and rolls of kraft paper with interesting addresses which brought up visions of coral islands or coconaut palms: Kobe, Bombay and other enchanting lands.

Heretofore Wayagamack's production has been 125 tons of kraft paper and 260 tons of sulphate pulp daily. It can be seen that the addition of 200 tons of newsprint each day must mean a decided drop in overhead costs, for the company already has its equipment for handling the logs, its heating and power plants and much other equipment for both handling and selling its finished product.

What of the Future

These factors, coupled with the bettered markets for both kraft paper and sulphate pulp, engender a feeling of confidence for the future of the company. This has been reflected in the considerably bettered market position of the stock. This year Wayagamack has been operating at capacity for a long time and it is anticipated that the improved position of the sulphate industry will be reflected in the forthcoming annual report.

After the mill had been visited, it was noted that the president and the directors were absent. Someone said: "Since Whitehead has the directors here, you can rest assured that he would not let them get away without holding a meeting." This chance remark may, or may not, explain the general air of efficiency which pervades Wayagamack Island and its mills.

Canada and States in Newsprint Race

From Our Own Correspondent.

MONTREAL.—Canada and the U. S. are running a close race this year in the matter of newsprint production. During the month of November Canada's output was a little more than 2,000 tons over that of the United States. For the eleven months of the present year, Canada's total production is only 5,000 tons behind that of the United States, but it is gaining rapidly.

If this country can hold its November lead of 2,000 tons, it seems reasonable to suppose that new production coming on in this country, such as Wayagamack, will make up the required 5,000 tons and definitely place Canada in the position of the leading newsprint producing country in the world.

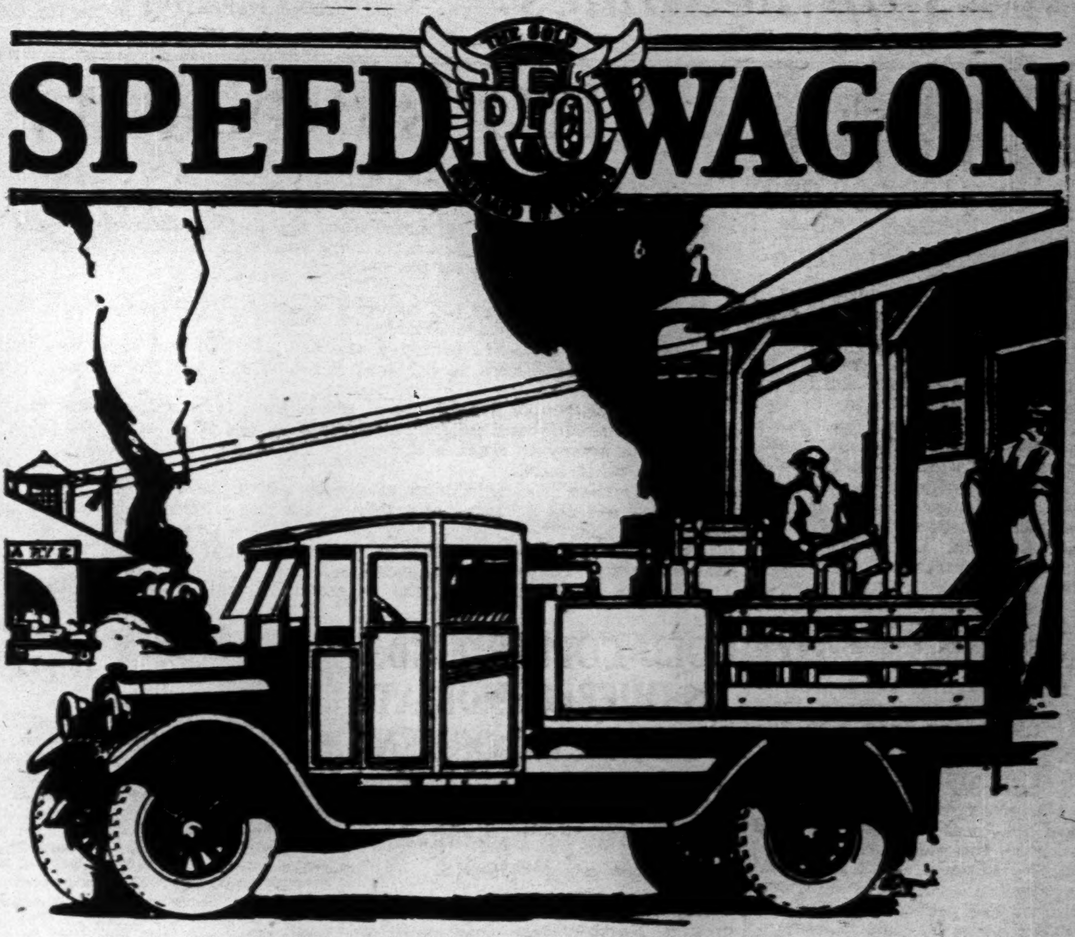
Production figures for the month of November and figures for the eleven months to date are given below:

	Canada	U.S.A.	Tl'l tons
November			
1925	132,147	130,102	262,249
1924	111,703	118,275	229,978
Eleven Months			
1925	1,383,121	1,388,825	2,771,946
1924	1,240,652	1,349,525	2,590,190
1923	1,169,872	1,365,546	2,535,418

NEW QUEBEC MILL

MONTREAL.—The Ontario Paper Co., a subsidiary of the Chicago Tribune and already producing 300 tons of newsprint from its mill at Thorold, Ontario, is to erect a 200-ton newsprint mill in the province of Quebec.

The company has already begun the development of the waterfalls on the Outarde River, located in the Manicouagan district on the north shore of the St. Lawrence, fifteen miles east of Bersimis. It is expected that within two years actual operation of the mill will be possible.



Reo is the only one of 22 manufacturers of average-load commercial cars producing all vital units—engine, radiator, steering gear, clutch, transmission, universals and axles—in its own shops.

Completeness of manufacturing control makes for balanced goodness in the vehicle. Thus, the Speed Wagon—completely Reo manufactured—is consistent in quality.

Capacity 2500 pounds. Twelve standard bodies.
Chassis, $1460, plus freight, tax paid.

REO MOTOR CAR COMPANY OF CANADA, LIMITED, Windsor, Ontario

ST. MAURICE CORP. PREFERENCE SOLD

$100 Par Stock Offered Here and $5 Par Goes to England

From Our Own Correspondent.

MONTREAL.—Following the bond issue of the St. Maurice Valley Corporation which was offered last week, Wood, Gundy and Company are offering $4,300,000, 7 per cent. sinking fund, cumulative preference shares of the company. In addition to this amount a further $2,500,000 will be offered in London, England, but the par value of this stock will be $5 per share, whereas the present issue is of $100 par value.

Each preference share carries with it a bonus of one-fifth share of no par value common stock in the new corporation, which is an amalgamation of the Belgo Canadian Paper Company and the St. Maurice Paper Company. Upon the completion of the present financing, the company's capitalization will be as follows:

	Authorized	Outstanding
First Mortgage and Collat. Trust Sink Fund Bonds (incl. Regist. Debenture Stock) ..	$15,000,000	x$8,699,538
7% Sink. Fd. Cum. Pref. Shares		
Of a par value of $100 per share..	7,000,000	4,300,000
Of a par value of $5 per share	3,000,000	2,500,000
Com. Shares (of no par value)	150,000 shares	150,000 shares

xOf series A.

Earnings on the Stock

The average earnings over the past five years and nine months applicable to interest on this issue have been $1,482,572, or equal to over three times the annual dividend requirements on these shares. Earnings of both constituent companies for the nine months' period ending September 30, 1925, applicable to the dividend on these shares, is equal to five and one-quarter times the requirements.

With regard to earnings on the no par value common stock of the corporation, the combined earnings of both companies for the first nine months of 1925 applicable to the common shares amounted to over $11 per share.

The corporation has in operation ten newsprint machines with an annual production of 195,000 tons of newsprint and it produces also 18,000 tons of kraft pulp each year. With regard to the average earnings over the past five year period, it is to be remembered that during the greater part of this time, the constituent companies had in operation only six newsprint machines.

The Sinking Fund Clause

Commencing in 1927, the corporation will set apart from its net earnings, before any dividend is paid on its common shares, a sum equivalent to 7 per cent. of the net earnings available for payment of dividends on the common. The money thus obtained will be used for the purchase in the open market, or by lot, according as to whether the market prices are above or below redemption prices, preference shares which once having been purchased, shall be cancelled and not re-issued.

If the company's profit and loss surplus at the end of any year—that is, the surplus available for dividends—shall be less than the equivalent of two years' dividends on the outstanding preference shares, the corporation will not be obliged to make its sinking fund appropriation for that year. But, should this occur, no dividend is to be paid on the common shares during the succeeding year.

This issue is preferred both as to capital and to dividends. Both the $5 par value and the $100 par value shares rank equally. The ownership of these shares does not carry voting rights unless the dividends should be a year and a half in arrears. In that event, the shares are entitled to one vote for each $100 share held.

WORK AT MANITOBA PULP

MONTREAL.—Excavation work is now under way for the new Manitoba Pulp and Paper Company's mill at Fort Alexander on the Winnipeg River. By next March a start will be made on the steel work and this new subsidiary of the Spanish River Pulp and Paper Mills. The plant is to be linked up with the Canadian National Railway system by a 19-mile spur; the work of laying rails has already commenced. It is planned to commence producing by December of next year.

NFLD. POWER NEEDS FUNDS

MONTREAL.—At a meeting of the Newfoundland Power and Paper Co. held this week in London the shareholders agreed to create a £2,000,000 first mortgage debenture stock in order to provide for capital expenditure and further extensions. Large expenses not originally anticipated have been incurred in the carrying out of this project. Some of these expenditures were made by the Newfoundland Power and Paper Utilities Corporation and it is intended to acquire the whole of the assets of the Utilities Corporation.

PROFITABLY EMPLOYED AT LAST

"What became of that young stock speculator who was always getting tips?"

"Oh, he's still getting them. He's a waiter now."

News of the Mines: *A Department for Executives and Investors*

Conducted by DANIEL E. CUSHING, Mining Editor, The Financial Post.

PRECIOUS METAL MINE DEVELOPMENTS PASS $150,000,000

Silvers Distributed Two-thirds, Golds One-third—Many Increase in 1925

The gold and silver mines of Northern Ontario paid $150,692,261 in dividends to shareholders up to the end of 1925. Of this remarkable total the silver mines of Cobalt, South Lorrain and Gowganda have paid $100,074,588 and the golds the balance. Of the two gold camps, Porcupine has paid shareholders $47,155,000 and Kirkland Lake $3,462,000. Unfortunately figures are not available to show the distribution of profits made by the nickel-copper mines, but on the basis of their production, given below, these should add another $100,000,000.

For 1925, the silver mines distributed $2,094,000, which carried their total distribution over the $100,000,000 mark, which total has been distributed in 20 years. The 1925 figures are somewhat better than 1924, due to the entry of Mining Corporation into the ranks of the dividend payers again, the distribution of two dividends by Lorrain Trout Lake and the payment of dividends and redemption of the preferred shares by Castle Trethewey. Totals follow:

	1924	1925	Total to date
Silvers ...	$1,924,000	$2,094,506	$100,074,588
Porcupine	5,878,793	7,083,468	47,155,298
Kirkland	586,250	1,150,000	3,462,375
	$8,388,043	$10,327,974	$150,692,261

In all six silver mines distributed funds to shareholders during the year. Nipissing tops all silvers with over $28,000,000 paid. Kerr Lake this year crossed the $10,000,000 mark.

The figures:

	To end 1924	1925	Total to date
xCastle	7,000	207,000	$ 214,000
Coniagas	11,540,000	....	11,540,000
Crown Res.	6,190,849	....	6,190,849
Keeley	800,000	480,000	1,280,000
Kerr Lake	9,910,000	150,000	10,060,000
La Rose	7,805,409	....	7,805,409
McKinley-D.	5,955,381	....	5,955,381
Mining Corp.	5,499,868	207,506	5,707,374
L. Trout L.	....	150,000	150,000
Nipissing	27,463,297	900,000	28,363,287
Old operations & priv. co.'s	22,809,016	....	22,809,016
	$97,980,082	$2,094,506	$100,074,588

xPref. dividends and pref. stock redemption.

Porcupine this year increased its distribution by over $1,000,000, this coming from Hollinger which jumped its payment from 5 to 8 cents per share every four weeks and is now distributing 13 times a year, $393,600 and has paid back over $30,000,000, or near $6,000,000 over its issued capital. Dome continued the payment of $2.00 per share and McIntyre 20 per cent. or $1 per share.

The Porcupine figures:

	To end 1924	1925	Total to date
Dome	$ 6,925,420	$1,906,668	$ 8,832,088
Hollinger	26,152,000	4,378,800	30,530,800
McIntyre	4,414,409	798,000	5,212,409
Inactive	2,580,001	....	2,580,001
	$40,071,830	$7,083,468	$47,155,298

Lake Shore and Wright Hargreaves each did better by their shareholders during the year and just about doubled the 1924 payment. Next year Teck Hughes will enter the list, as a 5 per cent. distribution has already been announced:

	To end 1924	1925	Total to date
Lake Shore	$1,020,000	$ 600,000	$1,620,000
W. Hargreaves	893,750	550,000	1,443,750
Tough Oakes	398,625	....	398,625
Total	$2,312,375	$1,150,000	$3,462,375

As pointed out above, it is impossible to estimate the nickel-copper dividends, but corrected production figures to the end of Sept., 1925, are as follows:

	To end 1924	9 mos., 1925	Total
Copper	$ 68,080,426	$ 3,334,377	$ 71,414,803
Nickel	197,595,684	11,158,724	208,754,408
Platinum metals	8,593,411	869,231	9,462,642
	$274,269,521	$15,362,332	$289,631,853

MINING STOCK QUOTATIONS

Week Ending December 22

	High for week	Low for week	Close Dec. 21	Close Dec. 15	Sales for week
Apex	3	3	3	3	7000
Amulet	1.32	1.05	1.32	1.00	169500
Argonaut	16	15½	16	16	24200
Atlas	1¼	1¼	1¼	1¼	11500
Baldwin	2⅜	2	2⅜	2	44000
Barry Holl.	26½	24½	25½	24	21400
Beaver	50	49	50	49	8725
Bidgood	6	5	6	7½	12000
Chaput H.	7	7	7	7	2500
Buckingham	2½	2½	2½	2⅛	2000
Can. Lorrain	74	67	73½	69½	35450
Capitol	33	27¾	32	28	76000
Castle Tre.	1.46	1.44	1.45	1.44	26100
Clifton	2½	2½	2½	2⅜	2000
Coniagas	4.40	4.00	4.40	3.99	2200
Coniar'm	3.80	3.50	3.75	3.80	1996
Col. Kirkland	4	3½	3½	3½	28500
Cons. Smelters	161¼	146	160	150	11591
Cons.W.Dome	17½	16⅜	17	16¾	97175
Crown Res.	20½	18½	18½	20½	27350
Davidson C.	1¼	1¼	1¼	1¼	1000
Dome Mines	17.00	16.75	17.00	17.00	2425
Everett	7	6¾	7	6½	13500
Goldhill	23	23	23	..	2000
Goldale	32½	30	32	30¼	5050
Gold Reef	1¼	1¼	1¼	1¼	6000
Hattie	½	½	½	½	10000
Hattie, pref	1⅛	1½	1½	1¼	23000
Goudreau	52½	52½	52½	..	1000
Hollinger	17.25	17.00	17.25	17.25	2099
Hunton	7	6¾	7	6⅜	24500
Indian	5¼	4	5	5	5000
Int.Nickel,com	45⅝	43½	44	45¼	1117
Keeley	1.64	1.60	1.64	1.61	14465
Keora	14	13	13¼	13	26100
Kirk. Lake	78	74	77	75	22850
Lakeside	3	3	3	3	5000
Lake Shore	9.05	8.70	8.95	9.10	9020
La Rose	40	35⅛	40	40	8070
Lorrain	8	7⅛	8	8	28000
Lorrain T.L.	1.00	80	1.00	90	3850
McKinley	23½	20	22½	21	25500
McIntyre	22.75	21.75	22.70	21.95	7976
Minging Corp.	3.25	3.08	3.24	3.09	9230
Newray	38	37	37	36	3000
Nipissing	6.50	6.13	6.24	6.40	7905
Night Hawk	8	6	6	7½	2800
Porc. Crown	4	2	4	4½	1025
Premier Gold	2.24	2.18	2.21	2.25	13760
Preston	7	6½	7	6¼	19700
Teck Hughes	2.44	2.30	2.42	2.31	55994
Thomp. Krist	2	2	2	2	4000
Timiskaming	13	13	13	14	600
Tough Oakes	51	48½	50	51	23000
Vickers	14¼	13½	13½	14	8000
Vipond Cons.	1.55	1.46	1.50	1.48	59472
Wasapika	1	1	1	1¼	4000
West Tree	2½	2½	2½	2½	2500
Wright Har.	7.65	7.00	7.65	7.15	4960
Noranda(new)	14.30	10.10	13.00	10.10	53690
Noranda (old)	10.20	10.20	10.20	10.00	2

WHO is Behind it?

What is the best procedure in sizing up a mining speculation?

This question is frequently asked of The Financial Post.

We feel that the day is at hand when the method successfully employed for years in Colorado must be adopted in Canada and each mining proposition submitted to close scrutiny on the point of:

WHO IS BEHIND IT?

If the right people are not behind a venture—its chances of success are small. All other points are secondary.

If the right people are behind a venture, one can feel sure that the secondary questions: Where is it? and What is it? will be answered satisfactorily.

If the right people are behind a proposition, they will employ the right kind of engineering and geological experts in the most effective place, and will get the money to finance it.

On the other hand:

If other than the right kind of people get a good property and lots of money, but are not actuated by a desire to make a mine or give their shareholders a run for their money, then all is gone for nought.

The right kind of people in a mining speculation are those who will give shareholders a real run for their money.

WHO IS BEHIND IT? is the paramount question—the acid test.

GOLD-COPPER FINDS IN QUEBEC INDICATE BIG DEVELOPMENT

Parts of Four Townships Are Known to Contain Large Deposits

Reported new finds of copper-gold ores in Northwestern Quebec, direct attention to the number of properties on which such ores have been found to date. There seems to be a circular belt taking in parts of four townships in which these finds have been made. Another interesting fact, in the light of the recent booklet published by Cyril Young, of the C.N.R., showing the important mineral finds in close proximity to the height of land, is that these gold and copper finds seem to straddle the height of land.

Noranda is the most important to date, its Horne property having an ore reserve of around $30,000,000. It is interesting to note that this week the stock sold up over $14 a share which places a valuation on Noranda of better than $28,000,000. Noranda owns 90 per cent. of the Horne property, a large acreage in addition as well as an interest in the Powell claims to the north and a 10 per cent. interest in the Norbec property at the head of Default Lake.

Second position in importance is shared by Amulet and Waite-Montgomery. The former is said to have in addition to gold and copper, a small zinc content. It is being explored by diamond drill and considerable success has been met with.

Brought High Prices

Waite-Montgomery syndicate is reported to have sold the major portion of its interest for $1,000,000. It is believed that this figure is about three times too high. The company had a very wide copper body on surface and has been exploring it with shallow drill holes and these are said to have shown that the body persists.

Nipissing is operating on 1,000 acres in Montbray, 400 under option and 600 acres that were staked. Surface work has revealed gold copper ore running 4 to 6 per cent. copper and fair gold values.

Norbec property was staked by Toronto interests and Noranda holds a 10 per cent. interest. Assays from a high grade shoot in the large ore body opened on this property give copper values of 26 per cent. and $3.80 in gold. Assays over the whole width of the body give one to eight per cent. copper and $1 to $3 in gold, the average being around $29.35. The formation is identical with the Horne and the company holds 329 acres. It is well located on the north edge of Dufault Lake and the surveyed line of Canadian National Railway runs across the southern part of the property.

Has Same Ore Zone

Gold Pan, owned by New Liskeard people adjoins on the north and has the same formation. It is believed that the same ore body exists on this property, entering it towards the Western part of the Norback claims. The New Liskeard people are financing their own exploration at present.

Adjoining one Amulet group is the Duprat which has some interesting ore bodies and on the other side of Amulet is one of the Connell holdings which it is understood will soon be financed. Little is heard of the Harvie properties which were sold to a large United States concern. Huronian Belt has a large acreage, so has Quebec Gold Belt.

The recent finds in Boischatel Tp. have aroused a great deal of interest. There are two principal operations, the Chance syndicate and the Pioneer syndicate. The latter is in the hands of Alderson and MacKay. Surface exploration is all that has been done.

The Powell claims, the staking of which aroused the new interest in Quebec and fostered the present activity, have had a run of hard luck. It is understood that they recently figured in a deal. Nipissing and Noranda have an interest in this property.

In addition there are numerous other properties of which little is heard, the majority being held by interests that can afford to do the assessment work and pay the yearly tax and hold the claims until the others in the vicinity are opened up.

Outside this large copper-gold belt is the gold area and this is also the subject of a great deal of expansion. Numerous operations are being carried out. The advent of transportation, which should be available late next year, will undoubtedly see the predictions of many, a tremendous boom in Quebec, fulfilled.

Huge Ore Body is Cut On B.C. Silver Property

The latest report to shareholders of B. C. Silver, Portland Canal area, is interesting, showing an additional 30 feet in new ore chute completed, four feet six inches of this ore averages $200 per ton, and drift still continuing, say R. P. Clark & Co., Vancouver. This makes a total of 110 feet in ore, and later reports state length of tunnel much greater than this. Former report stated diamond drilling disclosed ore body 45 feet in width and 250 feet in length. No. three level is about 800 feet from surface.

It is difficult to visualize the value of this one ore chute. The experience of Premier, however, gives some idea of the wealth to be extracted from B. C. silver.

COBALT CONTACT TO BUILD MILL SOON

Present Plans Are to be Handling 50 Tons Daily by April

Cobalt Contact Co., which is developing the old Cobalt Contact, Green Meehan, Red Rock, Law and other properties at North Cobalt, expects to place the contract before the end of the year for the construction of the superstructure of its mill. The foundations are being placed. If present plans carry out the company will have its mill going by April.

Some mining authorities have expressed wonder that the company was erecting a mill when it was so close to custom mills, but the company's explanation is that the veins opened up are so heavy in cobalt ores, that it is figured that by milling their own ore the cobalt will pay a good portion of the overhead whereas if the ore was sent to the customs mill they would get nothing out of the cobalt.

The company has opened up a number of important veins on the different properties, but the most important are No. 1 on the Contact and No. 1 on Green Meehan. The former has been opened up to 500 to 600 feet and over a good stoping width and shows an average silver content of 38 ozs. It is a consistent low grade vein which in no place gives a higher silver assay than 70 ozs. but contains a large amount of cobalt. In some places the vein is 13-ft. wide.

Rather interesting has been the experience on the Green Meehan. High grade ore was taken out of a large open cut by the earlier operators. They also drove under this cut on the 100-ft. level and also on the 200. From the 200 a rise was made of 65-ft. and then a few rounds taken out on each side, figuring that perhaps the shoot from the open cut might be found to extend down. They didn't find it and quit. The present operators in searching around the property were attracted by this section and put a few shots in the workings where the others left off. The second showed 300 ozs., the third 500 ozs. and then came a high grade shoot of 3,300 ozs. which has now been opened up 33-ft. It is estimated that there is $200,000 worth of silver in sight.

The company estimates that there is 40,000 tons of good average milling ore ready and will erect a 50 ton mill. There is complet equipment on the other properties and an aggressive exploration is in progress. J. M. C. Dunlop is in charge of the property with Jos. Houston as consulting engineer.

$100 HORNE UNITS SELL AT $10,500; WORTH DOUBLE?

New Liskeard People Who Backed Ed. Horne on Noranda's Property Did Well

Frequently the remark is made that the romance has been taken out of mining; that the days of fabulous profits, such as marked the early days of Cobalt, are passed.

What about Noranda?

The other day the writer witnessed a deal for Horne units which really stood the holder an actual outlay of somewhere about $20 each, change hands at $10,500. Noranda shares are about on the same par. The writer knows of holders of original Noranda shares which they received in payment of services and lightly valued at the time, which to-day are bringing $1,000 on the market.

Many residents of the farming community of New Liskeard, stand to become independently wealthy as a result of their early interest in the Horne syndicate, known as the Lake Tremoy syndicate. The residents of this town have long been called upon to help grubstake prospectors. A syndicate was formed to back Ed. Horne on his property in Rouyn. Syndicate units were sold at $100 each. What are they worth to-day?

It is difficult to arrive at a valuation, but authorities on the proposition who should know say that a fair valuation on these units would be $20,000 or $25,000.

There are 100 units.

Noranda still owes the Horne syndicate $292,000, or $2,920 per unit. The syndicate is to receive a 10 per cent. interest in the Horne company which Noranda will organize. This company will likely be capitalized at $10 000,000 . This will give the syndicate $1.000,000 interest, or for the 100 units, $10,000 in stock each. Thus the face value of the units to-day would seem to be $10,000 in stock and $2,290 in cash. But the original Noranda shares, par value $100 are to-day selling at eleven times their par, or $1,100, so that it is reasonable to suppose that the Horne units of $10,000 par are perhaps worth considerable more and as pointed out, some in close touch, figure two and a half times par. Payments already made to the syndicate have given the holders of units their money back and a good profit, $28,000 having been paid to date. The Northern Miner recently gave the names of the original syndicate holders as Ed. Horne and Ed. Miller, ⅜ interest; and ⅝ was split between the following, Jas. Taylor, O. E. Varette, H. O'Grady, J. Hill, G. Hill, J. Booker, J. Brett, J. Varette. Later on P. W. Woodward and J. Clark, who had claims nearby, cast in their lot with the syndicate There are now 30 shareholders, a number of units having been split and sold in fractions.

Look For Dividend on Petrol Oil and Gas Shares

Important developments are pending in Petrol Oil and Gas shares, according to reports on the street. Dividend action on the shares is looked for by the end of the year, according to those in close touch with the company. Kiely and Smith, in a letter to clients, say that the company has completed arrangements with the Union Gas Co., whereby the Petrol Company's total production of gas is to be purchased by Union Gas on a profitable basis. They say they are reliably informed that the directors will hold a meeting before the end of the year and declare a dividend equal to about 25 per cent. of the present market price of the stock.

In addition to this, the company is negotiating for the oil and gas rights covering a large area of promising property adjoining which are a number of producing wells.

Get the Facts About Mining in British Columbia

The B. C. Chamber of Mines is in a position to offer unbiased information, based upon thoroughly reliable reports of the latest date, as to any phase of mining in British Columbia, or general information as to any mining property in the Province. Every Engineer, Prospector, and Investor should keep in touch with the great development of the enormous mining resources of British Columbia, which is now going on.

We are not interested in any mining property. We have no stock to sell. We are a semi-public body, organized to disseminate authentic information concerning the mining industry of British Columbia.

Address enquiries to Secretary, B.C. Chamber of Mines, Suite F, 438 Pender St. W., Vancouver, B.C.

Haultain Silver
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News of the Mines

BRIGHT PROSPECTS OF BIG MINES IN N.-WEST ONTARIO

Optimistic Writer Sees Possibilities of More Domes and Hollingers

"Mines rich as Dome and Hollinger are certain to be opened in this district," is the statement made in Ft. William Times-Journal by John R. Lumby, editor and old-time prospector, who has been in that field since the pre-Klondike rush days when there was the greatest activity in that section.

Long before any attention had been paid to the resources of Thunder Bay and Rainy River districts in agriculture or timber, the mining of the precious metals was being carried on upon an extensive scale, the first development of any consequence being that of the Silver Isle mine, where silver mining was prosecuted with success for many years, until the flooding of the mine and the waning values in the ore made mining unprofitable. One genuine effort was made in recent years to re-open this mine, but it was unsuccessful, and it is now probably closed forever, though its history may result in the discovery of other silver properties that will prove as profitable during their lifetime.

On the mainland south of Fort William silver was also mined and it is believed that the old mines have not yielded more than a fraction of the metal they contain, and of late there have been efforts made to reopen some of them, notably the Rabbit mine.

Gold Holds Promise

Gold, however, seems to hold more promise of immediate success to the miner than silver. The wealth that is being reaped from the gold mines in the north, the Hollinger, Dome and others, lends almost positive assurance that other mines just as rich will be found in this western district, where the formation is identical and the veins of ore are similar in every respect. The most highly developed of these is the Foley mine, near Shoal Lake and a few miles south of Mine Center station, on the Canadian National railway, which will reach the stage of production within the next month or two.

During the past summer attention has been paid to several of the old gold locations which were found, in some instances, half a century ago, and some of which offer promising prospects for mining capital. There has been development and examination going on for several months at the old Huronian mine, which was the first gold property that was ever taken up in this section of the province.

Discovered by Peter McKellar

Its discovery, which gave the first impetus to prospecting for gold here, was made by Peter McKellar and the early work was done by Ottawa capital, but the distance from transportation and the wasteful methods of those days caused it to be abandoned, in spite of the fact that the ore was extremely rich. At that time also there was a prejudice against telluride ores of gold, and this contributed to the mine being abandoned after considerable work had been done. The McKellar brothers never lost faith in the mine and it has remained in the same hands for over fifty years. It will be a lasting tribute to the name of McKellar, if the Huronian should, as a result of present investigations, rank among the producing mines of the district. A few miles south of Kashabowie station, the Huronian is now close to transportation facilities.

Many Miles to North

A little farther west between Kashabowie and Atikokan, lies Sapawa Lake, where the Maylor Hayne properties are, from which wonderful gold ore has been taken and which are being quietly opened up by the owners in readiness for examination by capitalists. North of these again, lie the Minto and the AL282 mines, both of which are promising and have been looked over recently by engineers.

Still farther north lie the Hammond Reef and the Sawbill, the Hammond Reef being one of the enigmas of the country, which was examined by the Noranda interests this summer, but is said not to have assayed to expectations. It is an entirely different proposition from the general run of prospects of the district, and does not offer so attractive a mining proposition as some of the better defined veins and vein series that are found here.

Sturgeon Lake, along the line of the Canadian National, between Fort William and Sioux Lookout, has been again attracting attention and A. H. Davidson, one of the early pioneers of the Sturgeon Lake fields, has been working there all summer, with good results. This is a field that merits more attention from capital than it has as yet received. It is here that the St. Anthony mine was worked, a mine which yielded wonderfully rich ore but which suffered from mismanagement and was also robbed by miners, it being possible to carry away hundreds of dollars' worth of gold in a very small compass, so rich was the ore.

Years of Prospecting

The Schreiber gold field has been quiet all summer, with negotiations going on between the owners and several combinations of capital, but, while steady development has been done on a small scale, there have as yet been no large-scale operations undertaken.

Taken all in all, with the exception of the work at the Foley, this summer has been one of prospecting and examination of properties and should be followed by active development, when actual mining capital is secured.

Premier Will Distribute Another $400,000 Soon

Premier Mines, Portland Canal, will pay another huge dividend about January 4 amounting to $400,000 at least. This will make the total paid by Premier of $8,740,625. Shortly after the first of the year the mill will be capable of handling a minimum of 400 tons per day and maximum of 600 tons, which should add to the earnings. Large capital expenditures will have been completed and profits available for larger dividends if thought advisable.

AVERAGE RECOVERY PER TON OF GOLD MINED IS $8.89

Eleven Months' Figures Show Falling Off From August Peak

Ontario's gold output for eleven months totalled $27,209,970. There was a slight falling off in both camps. The greatest fluctuation during the past four months occurred as between August and September when the decrease in ore milled was around 30,000 tons. Too much importance, however, should not be attached to these monthly fluctuations since the mining companies are periodically improving their mills, causing in some cases a slightly lowered production for the time being, says the department of mines report. As pointed out in the October statement, the decreases in ore milled were occasioned by changes in the mill, made by the largest company, the Hollinger. The temporary loss in output was expected to be rapidly made up when the company is fully equipped to handle larger tonnages.

In this report the values given are those for crude bullion marketed, which also includes a small percentage of silver. The total value of the output for November was $2,336,276 as against $2,353,800 during the previous month, or a decrease of 0.75 per cent.

Source and period	Ore milled tons	Total value crude bullion	Aver. per ton
Porcupine—			
Jan.-June (6 mos.)	1,485,033	$11,950,025	
July	248,817	2,163,463	
August	263,119	2,267,095	
September	238,744	2,109,360	
October	237,163	1,893,651	
November	242,797	1,874,809	7.71
Total	2,715,673	$22,258,403	8.20
Kirkland Lake—			
Jan.-June (6 mo.)	188,079	2,628,608	
July	32 812	515,322	
August	32,371	434,109	
September	26,375	451,912	
October	34,923	460,149	
November	35,212	459,353	13.04
Total	344,772	4,949,453	14.35
Miscellaneous	131	2,114	
Total for 11 mos.	3,060,576	$27,209,970	8.89

November average per ton in Porcupine was $7.71 while the average recovery for eleven months was $8.20. Kirkland in November was $13.04, 11 months' average, $14.35, while the average for both camps was $8.89.

LOOKING FORWARD INTO 1926

(Continued from page 1)

Philadelphia has an output of about $2,000,000 a year. And this has been done in the face of the competition of the best American mills.

Business men who look at the situation without political bias declare that Canada has been without real constructive policies in national government since the disturbances caused by the outbreak of war. They point to the loss of population, to the lowering of protection so that foreign goods by labor living on much lower standards than those recognized in America can come in freely, to the absence of a budget plan to retire the war debt and to other issues where there has been a lack of decisive, constructive action. For some years this was due to the fact that war efforts dominated the situation and since then the presence of new parties and blocs has created an atmosphere of indecision and uncertainty in which make-shift policies have been the order of the day. It is because of this situation that the business community believes that another election will be necessary to clear the air and, that being the case—the sooner the better.

In the United States

The influence of American business conditions on the situation in this country makes it of value as well as of interest to study the outlook there. Not only are the labor and commodity prices of the two countries closely associated, but consuming markets are interwoven and in addition there are psychological factors too important to be ignored. In the United States there has for many months been increasing prosperity. Conditions may now be said to be booming. This prosperity will continue well into 1926, but the outlook for the latter half of the year is regarded with some perplexity and even a little apprehension. With plenty of money still available at favorable rates, and with sound business administration at Washington, there is much to be said for a continuation of good times. The improvement in the agricultural situation and the returning prosperity of the railroads point in the same direction. At the same time there are other factors which are not so favorably regarded. Among these are the real estate situation and the automobile industry, the former representing a boom which may now possibly be culminating and the latter being the leader of the industries which have expanded sales on the part payment system, the final effects of which are still to be experienced.

On this point of the effect on future business of the installment selling system, a market letter issued by Hayden, Stone & Co., reflecting the views of Charles Hayden, chairman of the board of the International Nickel Co., and an outstanding American business leader, says: "...... Moreover it is well to remember that in all past cycles there have subsequently been disclosed weaknesses in the structure of prosperity not previously apparent."

It is generally accepted that the part-payment plan is sound if not subject to abuse—but the difficulty is to prevent the latter when the people take hold of a new idea. Thus far the new plan has not only been expanded with prosperity, but has been itself a factor in that prosperity in such industries as motor cars. The question is whether it is being carried too far and what may be the result if there is a reaction and a curtailment of total buying power. Such a reaction it is feared might come with a decline in building activity with its effects on a number of lines of business.

One of the factors in the situation pointing to continued prosperity, based on past experience, is the easy supply on money and the fact that there has been no speculation in commodities and no accumulation of stocks or materials. The question arises, however, with a total estimated at three to five millions of dollars' worth of partly paid for goods in the hands of the public, whether the usual inventories of the manufacturers and dealers which expand during a period of prosperity have not actually been passed on to the people. In regard to this point, as to whether there may be actual inflation without accumulation of stocks and materials and what might be expected in the event of there being a decline in buying demand, the Hayden, Stone letter says:

All of the accepted business indices, such as car loadings, pig iron production, unfilled steel tonnage, new building and bank clearings, are rendering full confirmation of the high condition of prosperity which the stock market had so decidedly predicted. Notwithstanding, business generally shows little if any disposition to depart from the rule of small inventories and rapid turnover. The latter has necessitated attractive sales prices so that obviously the earnings in most industries are predicated very much more upon a large volume of business than a wide margin of profit. This situation, which is without precedent at a similar level of prosperity in past cycles, has two distinctly interesting phases. The most obvious is that when less favorable times appear inventory losses will be reduced to a minimum. The perhaps less considered phase is that any material reduction in volume of sales will very probably serve to wipe out all or a large part of the margin of profit. How rapidly industry could adjust itself to this condition remains, due to its novel character, problematical, but in any event the contingency would entail a probably severe, even if temporary, interruption to earnings.

Ore receipts at the Trail Smelter of the Consolidated Mining & Smelting Co., for the period Dec. 8 to Dec. 14, amounted to 10,417 tons, and for the year to date 393,270 tons.

Kirkland Rand Plans To Rebuild in Spring

Kirkland Rand mill and head frame of No. 2 shaft, destroyed this week by fire, will be re-erected. The loss was covered by insurance. Work on the new plant will be rushed in spring. Recently it was officially announced that an important discovery has been made on the 350 level over 6 feet wide, carrying a good grade of commercial ore. The company authorized the doubling of the working forces for developing purposes, and are pushing development of this ore body."

McINTYRE

McIntyre has connected its new shaft up with the old workings at the 1,875-ft. level.

WHAT HOLLINGER PAYS

Hollinger is now paying 13 eight-cent. dividends yearly, each involving the distribution of $393,000.

Hunton is sinking a winze to tap an ore body revealed at the 700-ft. in diamond drilling. The new hoisting equipment is in place and it is understood that three shifts will be employed on the winze.

NEW ISSUE

$4,300,000

St. Maurice Valley Corporation

7% Sinking Fund Cumulative Preference Shares
(Par Value $100)

Preferred as to capital and dividends. Cumulative dividends at the rate of 7% per annum accrue from December 1st, 1925, and are payable quarterly January 1st, April 1st, July 1st and October 1st, the first instalment (for one month only) being payable on January 1st, 1926. Redeemable as a whole or in part at the option of the Corporation on sixty days' notice at 105% of par value, plus accrued and unpaid dividends to date of redemption. Transfer Agents—Montreal Trust Company; Registrar—National Trust Company, Limited.

These Preference Shares of $100 par value will be offered simultaneously in Montreal, Toronto and New York. In addition, there will also be offered in London, England, $2,500,000 par value of Preference Shares of $5 par value ranking pari passu therewith.

We are advised by Counsel that, under existing Income Tax Laws of the Dominion of Canada, dividends on these Preference Shares are free from normal Canadian Federal Income Tax, irrespective of place of residence of the Shareholders.

For detailed information, we refer to the official prospectus containing letter from Sir Herbert S. Holt, President of the Corporation, which has been summarized in part as follows:

The Corporation

The St. Maurice Valley Corporation has acquired the properties of St. Maurice Paper Company, Limited, and over 85% of the authorized and outstanding $8,500,000 Common Shares of Belgo Canadian Paper Company, Limited. The Corporation has arranged an agreement with Belgo Canadian Paper Company, Limited, whereby the business and properties of the latter will be leased and operated by the Corporation.

The Corporation therefore owns or controls two newsprint mills with a combined capacity of 195,000 tons newsprint. In addition, it has an annual capacity of 18,000 tons kraft pulp. The Corporation is the third largest producer of newsprint in the Dominion of Canada.

Earnings

The average annual net earnings of the business acquired by the Corporation, and of Belgo Canadian Paper Company, Limited, as certified by Messrs. P. S. Ross & Sons, Chartered Accountants, Montreal, for the five years and nine months ended September 30th, 1925, after operating expenses, including maintenance and repairs, and after provision for interest and sinking fund on the Corporation's $8,699,833 outstanding First Mortgage and Collateral Trust Bonds and Registered Debenture Stock, available for dividends on these Preference Shares, depreciation and income taxes, were $1,482,572—equal to over three times annual dividend requirements on the Preference Shares presently issued.

For the nine months ended September 30th, 1925, net earnings on the above basis, as certified by Messrs. P. S. Ross & Sons, Chartered Accountants, available for dividends on these Preference Shares, depreciation and income taxes, were $1,923,372—or at the rate of $2,564,496 per annum, equal to over five and one-quarter times annual dividend requirements on the Preference Shares presently issued.

For the nine months ended September 30th, 1925, net earnings of the business acquired by the Corporation, and of Belgo Canadian Paper Company, Limited, as certified by Messrs. P. S. Ross & Sons, Chartered Accountants, after operating expenses, including maintenance and repairs, after provision for depreciation and depletion and after interest on the Corporation's $8,699,833 outstanding First Mortgage and Collateral Trust Bonds and Registered Debenture Stock and dividends on the $6,800,000 Preference Shares presently issued, available for dividends on the Common Shares, subject to income taxes, were $1,270,137—or at the rate of $1,693,517 per annum, equal to over $11 per share.

Assets

Physical assets, including timber limits, acquired by the Corporation from St. Maurice Paper Company, Limited, are included in the Consolidated Balance Sheet, certified by Messrs. P. S. Ross & Sons, Chartered Accountants, at $14,143,646, against which amount there is carried a depreciation and depletion reserve of $2,056,659. The Corporation has also acquired over 85% of the authorized and outstanding Common Shares of Belgo Canadian Paper Company, Limited, said pledged shares having a book value of $9,662,217, according to the certified balance sheet of that company as at September 30th, 1925. After provision for the Corporation's $8,699,833 outstanding First Mortgage and Collateral Trust Bonds and Registered Debenture Stock, the net value of assets amounts to $13,049,371, equivalent to over $191 for each $100 of par value of Preference Shares presently issued.

Preference Shares

Of the $6,800,000 par value Preference Shares presently issued, $4,300,000 are of a par value of $100 per share; and $2,500,000 are of a par value of $5 per share, such $5 shares being payable only in Sterling in London, England, shares of $100 and $5 ranking pari passu. At the option of the Corporation and with the consent of the holder, $5 shares may be converted into an equivalent par value of $100 shares and vice versa. Preference Shares are non-participating and shall not carry voting rights unless six quarterly dividends shall be in arrears.

Market or Sinking Fund

After the conclusion of each fiscal year, commencing with the fiscal year ending June 30th, 1927, the Corporation will set apart out of its net earnings, before any dividend is paid, or set apart for payment, on its Common Shares, a sum equivalent to 7% of its net earnings available for payment of dividends on the Common Shares. These moneys will be used for the purchase in the open market or by lot, at prices not exceeding their redemption price, of Preference Shares, which shares so purchased shall be cancelled and not re-issued; provided that if the profit and loss surplus of the Corporation at the end of any fiscal year available for dividends shall be less than an amount equivalent to two years' dividends on the outstanding Preference Shares, the Corporation shall not be obliged to make any sinking fund appropriation for such year, but in any such event, no dividend shall be paid on the Common Shares during the succeeding year.

Application will be made in due course to list the Preference Shares of $100 par value and the Common Shares on the Montreal and Toronto Stock Exchanges.

We offer these Preference Shares, if, as and when issued and received by us, and subject to the approval of our Counsel, at:

Price: $100 per share and accrued dividend, with bonus of one-fifth share of no par value common stock.

Fractional Shares of no par value Common Stock will be adjusted at $40 per Share.

Wood, Gundy & Company

Toronto
Winnipeg
London, Ont.

86 King Street, West
TORONTO
Telephone: Elgin 4321

Montreal
New York
London, Eng.

The information contained in this advertisement is based upon statements and statistics on which we have relied in the purchase of these Shares. We do not guarantee, but believe, the statements herein made to be true.

THE FINANCIAL POST

Member Audit Bureau of Circulations.
President—JOHN BAYNE MACLEAN
Vice-President—HORACE T. HUNTER.
Manager—GORDON RUTLEDGE
Editorial Director—F. S. CHALMERS
Editor—J. W. TYSON

A weekly newspaper, presenting in a popular manner, reliable information respecting investments and financial affairs in Canada.

Advertising matter which has a tendency to mislead or which does not conform to business integrity, is declined. Acceptance of advertising will not deter the editorial department from making such comments as the situation may suggest.

Reading matter, other than official reports of annual meetings, will not be accepted as paid advertising unless marked "Advertisement."

No material from news bureau sources submitted for editorial purposes will be published, and no such bureau or individual should be paid any consideration, or given any credit for the insertion or inspiration of any item.

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Single Insertion—$2.80 per inch.
Financial Reports, Debenture Notices, etc., 20c. per agate line.

SUBSCRIPTION PRICE
Canada and the United States, $5.00. per annum

Published by
THE MACLEAN PUBLISHING CO. LIMITED
143-153 University Ave., Toronto.

MONTREAL, Southam Building, Murray R. Chipman; WINNIPEG, 810 Confederation Life Building; NEW YORK, Room 1606, 1133 Broadway; CHICAGO, Room 1004, 168 North Michigan Boulevard; GREAT BRITAIN—London, The MacLean Co. of Great Britain, Ltd., 88 Fleet Street, E.C., E. J. Dodd, director.

The detailed circulation statement we submit is the sworn finding of the Audit Bureau of Circulation, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A.B.C. Inspection.

THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, DECEMBER 25, 1925

A GREAT INDUSTRY

FROM small beginnings in Sherbrooke, Quebec, the manufacture of textiles in Canada has shown a steady growth, until to-day it stands very near the top of our industries, as far as the value of the finished product is concerned.

To-day the industry embraces over 1,700 mills employing 75,000 persons and representing an investment of nearly $270,000,000, which produces well over the $300,000,000 mark annually in various forms of textiles.

As a whole, Canadians are unappreciative of the extent of this industry and the value of such a group of plants to the country as a whole. To bring about a better realization of the value of this industry to the Dominion is the purpose of the special number of The Financial Post, which reviews the textile industry as a whole and also presents to investors the story of the individual companies.

LET SHAREHOLDERS KNOW

PRESIDENT J. J. Warren, of Consolidated Smelters, answers the suggestion that the company should issue interim statements of earnings with the statement that uncertainty and speculation might follow. He bases this on the fact that monthly earnings vary greatly. The Financial Post takes just the opposite view. This paper has frequently urged that the directors of Consolidated Smelters and of other companies should report to their shareholders periodically.

There has been wide speculation going on in Smelters shares for the past year or so. Shareholders have watched the stock sell up to nearly seven times par, and then react considerably, without the directors breaking their silence as to what was developing in regard to their property. It cannot be conceived that speculation would have gone to greater lengths if quarterly or monthly statements on earnings had been made. Canadian Pacific Railway and United States Steel Corporation are examples of companies which have found it good business to keep their shareholders and the public informed as to their business. Their stocks have become market barometers. If Mr. Warren is desirous of curbing speculation in shares, could he do better than to follow their lead?

Besides, if investors are kept well informed and are then drawn into speculation which results in losses, the blame will not be on the shoulders of the directors. There is also the other sound point, that directors are in office at the pleasure of and with the consent of the shareholders, and are not justified in withholding from shareholders information that has an important bearing on the position of their property.

THE POWER OF INTEREST

REMINDFUL of the song about the little drops of water, is the report from Truro, N. S., of the foundation of a $4,000,000 trust fund by four leading citizens the expedient of depositing $10 each, or a total of $40. This trust fund is to be disbursed when the total accumulated fund amounts to the total referred to, which at compound interest is estimated to be in about 335 years. The funds will go to such charities as shall be selected by the then president and secretary of the Acadia Trust Co., and the chief justice or chief executive of Nova Scotia.

The four gentlemen responsible for this unique fund are, Frank Stanfield, president of Stanfield's Ltd.; A. R. Coffin, manager of the Truro News; W. D. Dimock, editor of the News, and H. F. Bethel, manager of the Trust company. They have in mind the purpose of emphasizing the accumulative power of money, the desirability of assisting charities, and the services provided by the trust company. Incidentally the advertising the Acadia Trust will receive—through such items as this—will undoubtedly more than justify the cash amount involved.

WHAT INDUSTRIES WANT

THE defeat of by-laws fixing assessments for industrial purposes in the recent municipal voting is commented on by the Chatham News, which says that it was an unfortunate day for such proposals. The London Free Press, referring to the voting in Ontario cities, says:

> "By-laws providing for fixed assessment of industries did not go over very well. Brantford defeated a bunch of them. Chatham gave approval in the case of a new tobacco company, but turned down a similar by-law affecting an established woolen mill, which has been closed down. Generally, money by-laws failed of support. Hamilton decided to do with its present police station for a while longer, and Ottawa rejected measures for a new market in the west end and for removal of cross-town railway tracks. The principal money by-law to run the gauntlet successfully was that providing $450,000 of sewer construction at Hamilton, the desirability of winter employment being a powerful argument.

The Financial Post believes that on the whole the ratepayers are wise in their "thumbs down" attitude towards taxation exemptions to industries. Sound manufacturing projects are not usually found shopping for concessions of this kind. They are willing to pay their share for the upkeep of the community but they are vitally interested in careful municipal management, and moderate taxes for themselves and their workers. Those industries which are reasonably assured of success will be found to decide their location because of advantages in relation to raw materials, shipping facilities, contented labor, etc.—they are not so much interested in bonuses or tax exemptions.

AN OUTSTANDING CANADIAN

SINCERE praise of the record of Premier Taschereau, of Quebec, is offered by L'Evenement, which, as an independent newspaper with Conservative learnings, does so in the spirit of a generous critic.

> "Too rare are the public men who come to the fore in the legislature or the house of commons with the experience, the knowledge and spirit of perseverance of a Taschereau. Long before becoming a minister and the leader of the government, the member for Montmorency had made his mark in the legislative assembly. He brought to legislation, above all, the qualities of his intellect. There has probably not been a session since 1900 to which Mr. Taschereau has not contributed by some new legal text and in the improvement of our statutes. This part of his work is less evident than that which he has performed as minister or as prime minister but it is of the most useful and the most equitable for this province.
>
> "We have often praised the courage of Mr. Taschereau. It has shown itself in a better and better light since he assumed the direction of the provincial Liberal party. It is not that we are a servile admirer of the character of Mr. Taschereau and we have sometimes had to make our reserves on certain points. Such as he is, however, the present prime minister of the province of Quebec appears to be the most brilliant and the most capable of the leaders of Canadian Liberalism."

Premier Taschereau has won this well merited praise by his services to the people of his province in safeguarding their interests by his practical policies on the conservation of water power and raw materials for home manufacture. He has made his mistakes—as all leaders do; one of these was in supporting the policy of arousing racial feeling in Quebec during the last election. But he stands out as a big man among Canadians as well as among French-Canadians.

EDITORIAL NOTES

IN Canada it's called "Protection" and in England "Safeguarding of Industries." The difference is that England is still referred to as a free trade country.

* * *

THE Editor of Revillon Monthly, Edmonton, has no objection to a man being honest—in fact he distinctly approves—provided he will refrain from calling attention to the fact. As a man is neither a rail fence nor a ram's horn, he can offer no reasonable excuse for being crooked, and we expect him to be honest.

* * *

CANADA proposes to retain her right to inspect immigrants under the new Empire cheap-passage scheme. That is as it should be, but we would suggest that inspection should be with the idea of passing all those who reasonably comply with the standards set down rather than to the end of seeing how many can be excluded on technicalities. In a word, to see how many be let in rather than how many can be kept out.

* * *

AN ironical attitude towards the United States on the part of Europe because of international aloofness is noted by the Bache Review, which quotes a writer in a Vienna newspaper as saying that while Americans understand the refinements of material luxury they are still too young a people to catch the more delicate subtelties of the intellect and the emotions. The Review makes the point that a national prejudice is one of the most difficult problems with which an export salesman has to deal. It is a point which all those who are working to build up export trade should appreciate.

THE REVOLUTION IN MERCHANDISING — No. 7

House-to-House Selling a Problem for Merchants

Progress Has Been Made in This Direction by Brush, Hosiery, Tea and Coffee Firms — How Merchants Combat the Development

By B. T. HUSTON

BASED on estimates compiled by those who have made a close study of the pedlar question, Canadian merchants are losing some $25,000,000 worth of business annually to the man who knocks at the door to sell his wares. The pedlar or bell-ringer, or whatever one wants to call him, gets his business in devious ways. There is the self-confessed "down-and-out" type who offers an assortment of soap, lead pencils, or safety pins to help him support a family of a half a dozen. This type on the aggregate sells little goods and the money he does get is more from feelings of charity on behalf of the giver. All told this variety of bell-ringer sells a lot of goods in a year but little in any one section and is not considered a serious competitor of the established merchant.

On the other hand there is the organized company that sends out well schooled, highly polished salesmen. This is the persistent type that seldom takes "No" for an answer, unless it is accompanied by a declaration of force and is more serious competition.

A Legitimate Type of Business

This must, of course, be considered a legitimate type of business as long as it is conducted along legitimate lines. Sometimes it is on the verge of an infraction of the law, still there are a good many firms that conduct it fairly. This is especially true in so far as the selling of hosiery, brushes, tea and coffee, etc., are concerned. There is, nevertheless, always the danger that, when one buys such a thing as a fabric or article of wearing apparel or a food of some description, the salesmen will pawn off inferior quality. Firms that make a practise of peddling goods however, have learned that this is a poor advertisement for them. Poor quality is one of the things that do such a firm the most harm. So that nowadays the bigger companies in the business spend a great deal of time and energy convincing the general public of the high standard of the goods they make.

Two of the Biggest Firms

We have the brush firm that sends its salesmen to homes who present the house wife with a small brush, leaving the message that they will call later. There is a big hosiery firm in Indianapolis that first gives a complimentary color chart showing the various shades of hosiery and the costume with which each shade harmonizes. This to secure interest. It is followed up with the hosiery itself—a mighty clever introduction. And it is pushing sales in Canada. This firm ships out annually some 7,000,000 packages of hosiery. Each package averages about $4—a total volume of $28,000,000. This company's financial report shows that the net profit for the year ending September 30, 1925, amounted to approximately $1,400,000.

There is also the manufacturer who on his own responsibility submits through the mail an assortment of ties, handkerchiefs or something else to the prospective buyer. The latter is given a splendid sales talk in the circular and asked to either keep the ties or handkerchiefs, send a dollar for them or return them. This means that goods are actually sent which have never been ordered. While it is not altogether "peddling" goods, it amounts to the same thing, as the established retailer doesn't get the business.

The Endless Hosiery Chain

Again we have the endless chain type of salesmanship which has recently been introduced to Canada. In brief, it is as follows:

"Miss A buys four coupons paying $4 for them. Three of these she may sell for $1 each, keeping the money. She files the name and addresses of the purchasers with the company. These three, in turn, must sell three coupons and when the company has received the $9 also the $4 already paid by Miss A, she receives five pairs of stockings. If the three people to whom Miss A sells the coupons do not care to go on with the plan then Miss A must pay $6 more to receive hers."

One firm in Montreal has been selling on this basis and since October has opened no less than 5,000 accounts. Doubt has been expressed as to whether this could not be stopped by law.

All these ways of doing business without paying a proper share in the upkeep of the local district are taking a huge amount of money away from retail merchants every year.

How Merchants Fight Pedlars

Merchants throughout Canada have adopted various methods to circumvent this drain on their business. Many of the larger merchants through aggressive selling campaigns are doing a great deal to offset the competition. In any centre where the retailers are doing much advertising in their local papers and using proper display methods both inside the store and in their windows, the bell-ringer has a poorer chance. But even then, house to house selling goes on.

The consensus of opinion is that if plans are to be effective they must be backed up by all merchants of a community. Unified action on the part of merchants can check and is checking this growing menace to retail industry. There are provincial regulations which permit municipalities to assess the pedlar who is not a local resident. But often he has come and gone before the license officials get into action. He has frequently to ring the bell of the house of some merchant who takes an interest in the local community, before he is stopped.

A Heartening Series

From Our Own Correspondent.

SYDNEY. — Local business has been greatly interested in The Financial Post's current series on mail order houses and the chain store system. To men discouraged by several years of acute depression, it has seemed at times as if it were impossible to struggle successfully against such competition. But the exhaustive statistics of Mr. Huston have given an entirely new viewpoint on the situation. In particular, the striking statement that but two per cent. of the retail business is done by mail order houses, and that the mail order people have worked in vain to increase that proportion, has filled many with new enthusiasm and a determination to make a stronger fight than ever, in 1926, for their share of the available 98 per cent.

Up to the present the most effective way of combating the nuisance is co-operative advertising on the part of merchants to the people of the local community. This has been done by retailers in several centres in Canada. London and Owen Sound are two that might be mentioned.

Better Business Commissions

Retailers in one centre formed what they called a "A Better Business Commission" and conducted a successful advertising campaign. Some of these advertisements were written as a warning to the general public. "Complaints are coming to the Better Business Commission from housewives who claim that strange house to house pedlars have persisted in entering their houses to show merchandise without permission. Police records show the dangers of this practice," read one advertisement. Another pointed out that the consumer could not exchange or return unsatisfactory merchandise or goods sold through misrepresentation by pedlars or itinerant merchants. "They pay no taxes and contribute nothing to the community as do established business houses," continued this advice. A third pointed out that thousands of dollars have been lost by people on hosiery, gloves, laces, underwear and other merchandise who have failed to receive the goods ordered. The result of this campaign was summed up by the manager of the Commission as follows: "We think we have the matter as nearly under control as it is possible to do so. We think we have not had more than a dozen this past year and of that number possibly three or four were given licenses to sell. We had a rule established that floaters or transients would not be licensed, that pedlars must have a permanent local connection where they can be found if wanted and that they must not sell in the business district—in the stores, offices, or on the streets within the business district. On account of the thorough cooperation of the police department and the buying public we were usually notified within reasonable time if there was any peddling being done through misrepresentation or if pedlars were out without a license."

A Plea to the Householder

The Chamber of Commerce in another town got out a small, neatly printed and attractive looking card which was distributed to every home in the town and vicinity. This card read as follows:

> "Notice To Pedlars.—Agents and order takers, no admittance. We don't need your goods. Local merchants carry complete stocks and we trade at home."

These cards were put up by the people at the homes and an advertising campaign was put on through the local newspapers explaining the importance of dealing at home. One of these advertisements started off somewhat as follows:

> "Every housewife knows the annoyance of answering the door time after time during her busy hours only to find a suave agent with one foot in the door as soon as the bell is answered. These women are eager to co-operate with their Chamber of Commerce in ridding the city of the professional bell-ringer. They will be glad to close their homes against the visits of salesmen, who are respectors of neither the rights of ligitimate merchants nor the time of busy women in the homes of the city. The plan is one deserving the cooperation of every true citizen," etc.

Reports showed that after this plan was put into effect the business of a hosiery firm dropped from $35 a day to less than $5 in that community, and word was quickly passed among the "Brotherhood of Pedlars" that this particular town was a good place to avoid. These definite instances show what can be done by organized efforts.

It is undoubtedly a fact that many merchants encourage the pedlar by the use of comparative prices in their advertising. What better argument has the pedlar than the previous day's newspaper showing that a local merchant is now selling a dress for $10 that was formerly $25? "Do you imagine," he may ask, "that the local merchant is losing anything when he sells that dress for $10? Then how much was he making when he sold it at $25? I can sell you a dress direct from the manufacturer and save you all that money." This is the type of argument he puts up and it is a strong argument, too. There is the right and wrong way to quote comparative prices but "formerly $25—now $10" is not the correct one.

From the above it will be seen that the competition of the bell-ringer is a definite menace to the business of the established retailer. Combined with the competition from mail order houses, chain stores and price cutters; the mobility of the people because of the widespread use of the motor car and instalment buying on a developing scale, it means that the merchant must know the fundamentals of successful merchandising and must adopt aggressive methods to secure his share of the business passing. The fact that so many retailers in all lines are successfully beating all this competition shows that the science of retailing is being widely studied and the proper methods put into practise. The weaker type of merchant, the one who is content to let to-morrow take care of itself, is being forced to the wall.

Current Opinion

WHEN CANADA GOES TO WAR

Brockville Times-Recorder: As The Financial Post, of Toronto, points out, subscription to the doctrine that when Great Britain is at war, Canada is also at war, would mean that even at the present time Canadian troops would be on duty in a score of out-of-the-way corners of the empire, for there is rarely a time when a tribal outbreak in some isolated and almost unknown section of the empire does not require suppression and when a show of arms is not needed to settle native differences. To cause Canada to organize a punitive expedition upon every occasion that such disorders arose would be to place a strain upon its military organization which the latter's resources in peace times would not warrant and which public opinion would not support. As The Financial Post says: "If Canada were always at war when Britain is at war, Canada would be in danger of getting into fights it was not interested in, every time a Lloyd George tried to develop foreign complications to save his political face, or a Churchill made threats to serve his personal business friends. King's action in saving the world from an Anglo-Turkish war and Meighen's refusal to commit the whole Canadian nation to the care of British politicians of any stripe are worthy of commendation."

Britain may depend upon it that when war is right and necessary, as it was in 1914, Canada will not be absent from the Dominions which will rally to the support of the motherland. But there is no necessity for this country committing itself blindly and unreservedly to fight every battle of the future, wherever its locale or whatever its motive.

CUTTING THE TAXES

Nelson News: Canadians would overwhelmingly approve federal tax reduction, if they could get it.

But to get tax reduction in the Dominion requires several factors working together.

Some of them are:

Saving of existing industries and extension of their business.

Development of new industries, to pay taxes, and employment of more workers.

Settlement of the finest arable land in the world.

New tonnage for the railways, so the Canadian National deficits will stop.

A policy of economical administration.

When the people, with sufficient emphasis, ask for tax reduction through the medium of the policy that will have the effects enumerated above, they will undoubtedly get it.

CASE FOR PRIVATE ENTERPRISE

Vancouver Sun.—Shall the port development of Vancouver be carried on as a straight government proposition or shall private enterprise be given a chance?

The grain situation in Vancouver is not a good one. Harbor Board operations being under Dominion jurisdiction, offer terrific competition. They secure cheap money from Ottawa; in Vancouver they make a low elevator charge per bushel and they pay no provincial or Vancouver taxes whatsoever.

It is not government ownership but private initiative and private enterprise that will build a great port and a great city. And with government ownership competition, and an undetermined, or rather unstated, policy on the part of the citizens of Vancouver toward private enterprise, private capital is right now a little bit leary.

Sees Pacific Wresting Trade Supremacy From the Atlantic

From Our Own Correspondent

VANCOUVER.—Like his illustrious father, Captain Robert Dollar, veteran San Francisco shipping man who started his career in an Ontario logging camp, A. M. Dollar, president of the Vancouver board of trade, foresees the early advent of the day when the Pacific will wrest trade supremacy from the Atlantic.

"During the past decade, the total volume of foreign trade of all the principal countries bordering upon the Pacific has increased enormously, and this process is still going on," says Mr. Dollar. "Figures covering the trade expansion of the United States, Japan and Canada, particularly illustrate that the Pacific ocean is rapidly forging ahead as an integral part of the world's commercial routes, and to-day it is a definite and potent factor in world commerce.

"During the past ten years of miracles in trading, Canada's exports to the Orient and India have jumped from approximately $5,500,000 in 1914 to nearly $46,000,000 in 1924. In 1924 there were only five deep-sea lines operating out of the port of Vancouver. To-day fifty-four deep-sea lines operate to this port, of which nearly 50 per cent. do their trading via the Panama Canal.

"When it is realized that there are continents bordering on the Pacific that are practically undeveloped from a trade standpoint, one may gain some faint conception of the opportunities awaiting progressive business men of the future in this field. When you add to that the fact that the Panama Canal has opened the Pacific coast to the markets of Europe, it is apparent that Pacific commerce has all the advantages of a world situation. On the Pacific coast there is a population of 856,000,000 to be served, against a population of 226,000,000 on the Atlantic.

"The growth of our wheat trade is a miracle in itself. In 1912 the movement through Vancouver was negligible. In 1924 53,000,000 bushels went through the port from the prairies, and we hope to reach 100,000,000 bushels within the next two or three years. The Pacific route is an economically sound proposition. We have the equipment, too. There will never be a shortage of ships.

"The grain rates from Vancouver fluctuate in direct accord with the conditions ruling the world's freight markets and have no relation whatever to changes in the rail rates from the prairies to Vancouver. Ocean freight rates cannot be affected one way or another by the rate charged to haul the grain from the prairies to the coast. Ocean freight rates, unless artificially governed by a conference agreement, are governed by the world's freight market conditions. Grain freight rates are always and everywhere 'open'; that is, no agreement exists between liner operators as to rates."

Government
Corporation
Public Utility
Securities

Offering list
upon request

Cochran, Hay & Co., Limited.
INVESTMENT BANKERS
TORONTO
Dominion Bank Bldg.
KITCHENER 83 King St. West
LONDON 282 Dundas Building

J.L.Goad&Co.
LIMITED
INVESTMENT BANKERS
DOMINION BANK BUILDING
TORONTO

J. Lawrence Goad
MEMBER
Toronto Stock Exchange

Correspondence Invited

What is the assessment of the four Western Provinces?

A GOVERNMENT official had to have the information in a hurry. Where was he to get it, without digging through a hundred dusty tomes in a public library until he found it?

He got the information and got it in a hurry. It was in The Financial Post Survey, 1926.

The Survey answers 10,000 business questions. Keep one in the centre drawer of your desk.

$3.00 a copy, or with The Financial Post for one year, $6.50.

Odd Amount Securities

Among the odd amount securities in our current list are those of some of the most outstanding Provinces, Municipalities and Corporations in Canada.

The amounts vary from two or three hundred dollars upward, and the maturities range from 1926 to 1961. The yields vary from 4.85% to 7.56%.

These Securities afford a good opportunity to anyone desiring dependable investments with good yields.

Copy of list gladly sent on request

A. E. AMES & CO.
LIMITED

Business Established 1889

53 KING STREET, W., . . . TORONTO
TRANSPORTATION BLDG. MONTREAL
BELMONT HOUSE . . VICTORIA, B.C.
LONDON BLDG. - VANCOUVER, B.C.
11 WALL STREET - - . - NEW YORK
GRESHAM HOUSE, OLD BROAD STREET
LONDON, E.C.2, - - - - - - - - ENG.

Investment Securities

Christmas on the "Street"

By RIELLE THOMSON

What was that, an angel's wing
That gently brushed my face?
It may have been a gnome's caress
Or fairy's soft embrace.

Brokers have forgot their tips
It's strange to say; and then
The bond men shake hands heartily
For once with mining men.

Better, sweeter; no, this lane
Is not a cruel strand.
Is this St. James Street, Montreal,
Or is it fairyland?

Notre Dame's bells chime out clear
In tones both deep and sweet;
Of course, I quite forgot the day—
It's Christmas on the "Street."

Something unseen walks with me
Yet never doth harass;
Perhaps it is some happy saint—
Perhaps......St. Nicholas.

Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Famous Players

D. M., Nova Scotia.—I would appreciate your opinion of the stock of Famous Players.

Stock in Famous Players should be a fair speculation. The company has had its difficulties, but should be on a sound basis now and there are good men behind it. The statement for 1925 showed some improvement in earnings over 1924, and there was a surplus of $80,000 after paying the preferred dividend.

Wayagamack Bonds

Banker, Nova Scotia.—I would appreciate your letting me know if you would consider Wayagamack 6's 1951 an attractive investment at present prices.

The Wayagamack 6 per cent. bonds, 1951, have been changing hands at just over 90. Of these bonds there are outstanding $4,425,500 as against fixed assets of well over $11,000,000. These bonds are a first charge on all the assets and properties of the Wayagamack Pulp and Paper Co., and at their present yield look decidedly attractive.

Riordion Bonds

Banker, Ontario.—One of my customers who is a woman is the holder of Riordon six per cent. first mortgage bonds which are selling now at slightly better than 100. Would you consider these absolutely secure?

The Riordon 6 per cent. first mortgage bonds which are now selling at slightly better than 100 are reasonably safe investments and during the reorganization period of that company interest payments were promptly met. The second mortgage bond holders had to make sure these payments were made in order to safeguard their own mortgage. Since that date, as you know, the Riordon Co. has been taken over by the International Paper, the largest paper producer in the world.

Penmans

Banker, Ontario.—Do you think that both the common and preferred stocks of Penmans are an investment for a woman, or would she be wise to dispose of these holdings and invest in municipal government bonds?

Penmans Ltd., has a good market record behind it and we would hesitate at the present time before advising anyone to sell this stock, for it is anticipated that some time—when, no one knows—this company will split up its common stock. This would probably mean an increased disbursement of profits to the shareholders.

The company has excellent management and is in the best of financial shape. We learn, too, that earnings this year have been increasing.

Naturally the investments of a woman require a very careful diversification, but even so we believe that some shares in a company like Penmans are good investments for any one if properly backed by more conservative securities.

Canadian Car Preferred

G. E., Montreal. — Would like your opinion on Canadian Car preferred. I bought 10 shares of this stock at 87 and it is now selling at around 76. In view of the recent statement would you advise to sell, or hold in anticipation of an increase in earnings?

The car building industry in Canada is a feast or famine affair and this last year was one of the famine periods. It is understood that the railroads are in need of much new rolling stock and consequently it seems reasonable to hope that the companies will begin placing orders in 1926 by which time the railway companies will have felt the full benefit in increased earnings from the big Western harvest.

Naturally a stock such as this is speculative and if your finances permit you to hold on to the stock we should advise you doing so. The company is in strong financial shape and therefore is in a position to meet the various ups and downs in the car building industry. If you decide to get out of the security entirely you might be wise to wait until such times as the company once again begins to get more car building orders.

Profit With Safety

D. M., Nova Scotia.—I am urged to exchange the preferred stock of the Power Corp. with bonus of common stock at 105 for either of two new bonds at price of issue. I hold 60 shares of Power Corp. pref. with 30 shares of common as bonus. I am inclined to hold on to Power Corp. pref. in preference to either of the above bonds. What would you advise in regard to exchange?

Without going into the merits of the two bond issues you mention, your first requirement is safety of principal. You purchased the 6 per cent. cumulative first preferred stock of the Power Corporation of Canada and obtained what you require, that is, an amply secured stock which derives its earnings from a well assorted list of power companies scattered across Canada. It seems reasonable to presume that you should obtain eventually a considerable profit on the common shares of this corporation.

As far as we can see you have definitely filled all your requirements by the purchase of the Power Corp. stock and therefore we can see no benefit in switching whatever. Although your preferred stock is in no way a bond yet the diversification of the assets from which this company derives its preferred dividends makes for great safety both as to principal and interest.

Bolivian Power Bonds

Banker, British Columbia. — Kindly give us your opinion of the Bolivian Power eight per cent. first mortgage bonds, also the standing of the men behind the company.

The issue of Bolivian Power Co., Ltd., 8 per cent. first mortgage bonds on the Public Utility Services of the City of La Paz in the Republic of Bolivia, was sold recently at par with a bonus of 30 per cent. common yielding approximately 8 per cent. The property of the company includes a modern hydro-electric plant situated on the outskirts of the city with a complete system for the distribution of electric light and power, including main, generating and sub-station equipment and aerial and underground cables; a tramway system with 9¾ miles single track, 17 electric cars and 10 trailers is also in the property. It includes further a telephone system with aerial underground cables and office building, car barns, repair shop, etc.

The finances of the company show steady earnings over a period of years and a steady growth in all departments of the business. La Paz, as you know, is the financial and commercial centre of the Republic of Bolivia and is the terminus of three important railways from the Pacific Coast. Bolivia has a reasonably stable government and a population of two and a quarter millions. It is our opinion that the undertaking is one which promises reasonable development and profit.

C. N. R. Debentures

J. K., Nova Scotia.—Will you be good enough to advise the history and guaranteed value behind C.N.R. debentures income 5's due 1930, giving present price and reason for same being so low? Is there a market and are they quoted on any exchange?

The C. N. R. Debenture income 5 per cent., due 1930, was issued in 1910, the total amounting to $24,137,846. By the terms of the statute of the Dominion Legislature authorizing the guarantee of $45,000,000 debenture stock, passed in 1914, no further issue can be made under this Trust Deed. although $25,000,000 was authorized originally. With regard to the guarantee the stock is a general charge on the property of the company other than land and money subsidies. As you know, it is not a direct obligation of the Canadian Government, but there is every reason to believe that it will be paid off at maturity at par.

The stock is listed on the London Exchange and although not listed on the Toronto Exchange is traded to some extent. The last quotation which we have is that of November 30, when it was 58.61 in London. In the local market it is around 57½ to 58½, but there is relatively little trading done in it at the moment. The evident reason for the present low quotations is the fact that interest has not been paid for some years, nor is likely to be paid.

347 Bay St. Building

Subscriber, Woodstock.—I have been approached to make an investment in seven per cent. mortgage leasehold sinking fund gold bonds on 347 Bay St. building, Toronto. Would like your opinion on this as a holding investment.

The new building No. 347 Bay St. which is now in course of erection will be 12 stories in height and will occupy approximately 6,232 square feet of land. The land has been leased for 21 years for a flat rental of $8,672 a year, without re-valuation throughout the term. The value of the lease-hold at stake on the above property, upon completion of the buildings has been estimated at $729,700, of which this issue is less than 55 per cent. Part of the bond issue will be used for the completion of the building which is now about half way up, to be paid out from time to time as required. The balance is to be supplied in cash by the owners.

We have reason to believe that this investment is a reasonably good one. It is maintained by some that office space in Toronto is overdone, but it seems remarkable how rapidly the new buildings secure tenants. According to estimates based on prospective rentals, the annual net earnings of this building available for bond interest have been estimated at approximately $95,000, or more than 3½ times the maximum bond interest requirements. The controlling management of the building is that of the Federal building, which has already redeemed its bond interest on the issue made in 1922.

British Empire Steel

G. G., Nova Scotia.—Is there any chance of the British Empire Steel Corporation resuming dividends on the 1st preferred soon, in your opinion?

No one can tell you when the British Empire Steel Corporation will resume dividends on its preferred stock. Our own feeling in this matter is simply that the company has passed through a bad year, due to the strike which hampered its operations, and it would appear likely that the management would endeavor to finally settle its dispute with labor before any action is taken in this matter. This would seem to be the reasonable course for them to pursue. In the meantime, as you know, the commission is inquiring into the situation in the coal field—perhaps when their report is finally promulgated it may have some suggestions which will lead to a cessation of further labor trouble. In the meantime, as you probably know, too, business for the corporation has undergone a decided change for the better.

French Bonds

J. M., Nova Scotia.—I would like your candid opinion of the enclosed clipping regarding French bonds. Are these bonds actually as good as represented and is there really an opportunity of making some money on them? I have a little money to invest and if they are really good I might consider investing. If they are good, could you tell me where they might be purchased?

In last week's issue of The Financial Post you will note an editorial headed "Trick Advertising" which will pretty effectively answer your inquiry. The arguments now being used for the sale of French bonds are similar to those by which a great many people were induced to buy German bonds. The cases are not the same, but there is enough similarity to cause the investor to take the statement that French bonds will return to par, with a good deal of reservation. It is really a gamble in exchange. It is a speculation of the future of France and exchange reflects the best opinion of the international, financial exchange experts and international finance. France is facing a financial crisis. If she stands by her promises and wins through investors will make substantially. If requdiation is forced on her the present investors will stand to lose.

As to buying these French bonds, if you should decide on a purchase, make it through a reliable investment house. It is a mistake to think that they must be secured through these specialty houses just the same as it is a mistake for an individual to consider that he can buy better from a street pedlar than from a reliable store.

Quotations on Unlisted Securities

The majority of Canadian Bonds, and many sound Preferred and Common Stocks, are not listed on the Stock Exchanges, and quotations are therefore not always readily available to investors.

Through extensive branch office, private wire and correspondent connections, our Trading Department is enabled to give prompt and accurate bid and asked quotations on securities of that type.

Royal Securities
CORPORATION
LIMITED
164 St. James Street
MONTREAL
Toronto Halifax St. John
Winnipeg Vancouver

German Bank Stock Costing 2c. Peddled Broadcast Around $2.50

Attorney-General A. S. Ottinger, New York, is warring on pedlars of German securities. Companies have been flooding the continent offering certain German securities at high prices compared with what they were paying for them. Recently, following investigations of the activities of H. B. Wolf & Co. by Better Business Bureau, a court injunction stopping sales was secured.

The business in America of H. & B. Wolf & Co., Inc., was done on a countrywide scale. It was conducted almost entirely by mail, so that the collection of evidence was slower than where published advertisements and verbal representations to investors are employed. Various German securities of uncertain value were offered, among them shares of the Deutsche Handelsbank, Frankfort-on-Main.

The Handelsbank stock was sold by the defendants up to $2.50 per share to American investors, whereas transactions in Frankfort, an affidavit by Deputy-Attorney General William H. Milholland states, had been made at a price of two cents per share. The security was alleged to have disappeared from the German market after revaluation of its capital stock from one billion paper marks to 5,000 gold marks.

Under the heading, "The Avalanche Upward; Why We Recommend German Bank Shares as a Speculation," a circular used by the enjoined concern, stated that "all existing stocks and bonds of all Central European states will rise in price, some moderately, some sensationally." and "stocks and bonds of German origin will lead the advance."

POST-Scripts

AT FORT ERIE, Ont., there is a cairn commemorating the historic skirmishes at the fort that once occupied a site near the present village. The man who wrote the inscription for the pillar evidently had no dictionary handy when he did his work and he created a sterling example of the sort of compromise that would better have been a straight mistake. On one side of the pillar, the word "siege" is spelled correctly; on the other side it is spelled "seige."

THE size of the manufacturing task of the Bell Telephone system may be visualized by a consideration of the quantities of raw and fabricated materials used each year. They are: Copper, 100,000 000 pounds; steel, 27,700,000; lead, 116,900,000; antimony, 1,153,413; brass rod and sheet, 8,600,000; galvanized iron and steel wire and strand, 11,000,000; pole line hardware, 11,000 tons; cable paper, 12,400 000 pounds; silk and cotton yarns, 2,900,0000; lumber products, 24,000,000 feet; clay conduits, 13,000,000; duct feet and glass insulators, 6,712,000 pieces.

BILL and 'Enery were working on the track in a rather deep cut when they suddenly caught sight of a train coming round the curve at high speed. safety 'Enery started to sprint for safety. Enery started to sprint for the distant end of the cut; but he wasn't fast enough. The cowcatcher caught him under his coat tails and tossed him up on the bank. Bill ran to him expecting to gather up the mangled remains; but finding 'Enery not much the worse, except for a shaking up, Bill began to express his views as to his lack of judgment.

"You bally hass," said Bill, "w'y didn't you go hup the bank?"

"Hup the bank? If I couldn't beat 'er on the level, 'ow the 'ell could I win goin' hup 'ill."

This story illustrates a point says Rentlon Monthly, Edmonton. A merchant was complaining that his business was falling off and he was making no money. When it was suggested that it might help if he would do some advertising his reply was "If my business doesn't show any profit now, where would I be if I spent a lot of money advertising?"

DAVID WARK GRIFFITHS, famous motion picture producer, who reached the top of his fame in his first production, "The Birth of a Nation," and has managed to retain a following since, despite his more mediocre work, addressed the Canadian Club this week in Toronto. The occasion was responsible for some interesting revelations regarding the sole appearances of two Toronto business men in the movies.

When Griffiths was in England during the war, he was asked by Baron Beaverbrook to do a propaganda film for the allies. The film was to show the horrors of the Germans and the righteousness of the Allied cause. Canadian troops were to be used in filming mock battle scenes. Griffiths undertook the film, and the picture was filmed. Col. John A. Cooper, of Toronto, first president of the Canadian Club of Toronto, and now head of a large advertising agency, took the part of a British brigadier-general, and Frank Y. McEachren, the present president, was the commander of the civilian population. Under the title of "Hearts of the World," the film showed to capacity audiences around the globe and served to stimulate recruiting in the United States and other allied countries.

WHEN the university professor told his students to start their essays with something to startle the reader and lead him into the story, one of the students contributed a story beginning "'Go to blazes,' cried the Duchess, "who up to that time had taken no part in the conversation." In advertising and in selling, arousing attention at the start is as important as in writing. This lesson has evidently been learned by a young man who was talking to the editor of Post-Scripts the other day. "What are you doing now?" asked the Post-Scribe. "I'm selling money for future delivery," was the answer. And he meant exactly what he said. He was selling life insurance and he always introduced himself to his new prospects as a salesman, offering money for future delivery.

A BANKER, inspecting several New York links of a well-known five and ten-cent chain was taken to Harlem where a large store in the colored section was doing a rushing pre-holiday business. On one side of the store he observed a throng of women completely hiding the counters. He decided to see the attraction.

He worked his way to within an aisle or two of the centre of the crowd, and, rising on tip-toe, he saw first one high-colored mama and then another daubing her cheeks, neck and coat collar with sample perfumery.

"There goes all the profits of the perfumery department," he laughingly suggested to an official of the company who was conducting the tour.

"Very well, but notice how many of those women are carrying away articles purchased here and watch one after another stop at the candy counters which are alluringly located between here and the doors," replied the merchandiser. "Those women walk many blocks for a free sprinkle of perfumery and carry our goods just as far back. Bees go where the honey is."

Greenshields & Co.
Established 1910

A complete investment service

17 St. John St., Montreal
also Mount Royal Hotel Building
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McDougall & Cowans

Members of the Montreal Stock Exchange

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THE CANADA PERMANENT TRUST CO
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Ontario Branch:
CANADA PERMANENT BUILDING, TORONTO ST., TORONTO
Manager: A. E. HESSIN

Canadian Pacific Railway

5% Bonds

Due April 15, 1934

Denominations $100, $500, $1,000

The Canadian Pacific Railway is universally recognized as one of the world's greatest and most efficiently managed transportation Companies.

The present value of the Company's securities ranking junior to this issue of Bonds is over $450,000,000.

Price at market to yield 5%

The above is only one of the many issues of high-grade bonds which we are in a position to offer investors.

Our complete list of Canadian Government, Foreign Government (External Issues), Railroad, Public Utility and Industrial securities which we recommend, is contained in the current issue of our monthly booklet "Investment Securities", a copy of which will be sent upon request. Write our office nearest you.

The National City Company
Limited

Head Office—205 St. James Street—Montreal
10 King Street East TORONTO
204 Union Bank Building OTTAWA
71 St. Peter Street QUEBEC

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90

January Dividend Payments

JANUARY DIVIDEND PAYMENTS

Dividends	$16,042,888
Bond Interest	15,821,337
	$31,864,225

Company	Rate	Date	Amount
Abitibi Paper, com.	$1q	15	$ 250,000
Do. pref.	1¾q	2	17,500
Amer. Cyanamid, com.	1½q	2	98,915
Do. pref.	1½q	2	83,938
Asbestos Corp., com.	1½q	15	45,000
Do. pref.	1¾q	15	60,000
Amer. Salesbook, com.	$1q	15	30,733
Belgo-Can. Paper, com.	1½q	11	127,500
Do. pref.	1¾q	2	70,000
Bell Telephone	2q	15	933,684
Bird & Son, pref.	1¾q	2	7,000
Brand-Henderson, pref.	1¾q	2	8,750
Brantford Cordage, pref	2q	15	40,000
Brazilian Tr., pref.	1½q	2	150,000
Brit. Amer. Oil	$1+$1q	2	440,000
Burt, F. N., com.	75cq	2	59,567
Do. pref.	1¾q	2	5,993
B.E. Elect., cum., pref.	2⅛s	15	172,800
Canada Bread, 1st pref.	1¾q	2	21,875
Do. pref. (B)	1¾q	2	43,750
Canadian Car, pref.	1¾q	11	131,250
Canada Cement, com.	1½q	16	202,500
Can. Conn. Cotton, pref	1q	2	30,000
Can. Cottons, com.	2q	4	54,310
Do. pref.	1½q	4	54,922
Can. Explosives, com.	2q	30	206,648
Do. pref.	1¾q	15	81,375
Can. Gen. Electric, pref.	1¾q	2	149,759
Can. Ind. Alcohol	32cq	15	256,000
Can. Locomotive, pref.	1¾q	2	26,250
C.N. Prairie Land	5s	15	75,000
Canadian Salt	2q	2	24,000
Can. Westinghouse	2+2q	2	297,316
City Dairy, com	75cq	8	16,950
Do. pref.	1¾q	8	12,250
Consumers' Gas	2½q	2	250,000
Cons. Smelters	3%+$5s	15	434,569
Canada Paper, com.	3½s	2	20,601
Do. pref.	3½s	2	12,043
Canada Iron, pref.	4s	15	155,112
Canadian Oil, pref.	2	2	28,122
Dodge Bros., pref.	$1.75q	15	14,900
Dome Mines	50cq	20	500,000
Dom. Glass, com.	1¾q	2	74,375
Do. pref.	1¾q	2	45,500
Dom. Power, pref.	1¾q	15	73,307
Dom. Stores, pref. (A)	4s	1	23,756
Do. pref. (B)	3½s	1	8,750
Dom. Textile, com.	$1.25q	2	281,250
Do. pref.	1¾q	15	33,960
Duluth Sup. Tr., pref.	$1q	2	15,000
Dunlop Tire, pref.	1¾q	2	10,500
Donnaconna Paper, pref	1¾q	1	31,423
Eastern Theatres, pref.	3½s	30	17,500
Fraser Co's, pref.	1¾q	1	52,500
Frontenac Brew., pref.	1¾q	21	6,562
Goodyear Tire, pref.	1¾q	2	78,750
Do. Prior pref.	1½q	2	51,747
Gould Mfg., com.	1½+2q	2	26,162
Do. pref.	1¾q	2	13,080
Greening Wire, pref.	1¾q	2	11,375
Gilman Fanfold, com.	*1.00	2	10,000
Do. pref.	1.16⅔	2	12,500
Hillcrest Collieries, com	*1½q	15	15,000
Do. pref.	1¾q	15	12,349
Hollinger Mines	1.6m	1	287,000
Holt Renfrew, pref.	1¾q	2	17,500
H. Smith Paper, pref.	2q	20	30,000
Hudson's Bay, pref	2½s	2	144,000
Illinois Traction, pref.	1½q	2	109,342
Inter. Paper, pref.	1½q	15	373,809
Do. pref.	1¾q	15	95,362
Jamaica Pub. Ser., pref.	$1.75q	2	9,625
Kerr Lake Mines	12½cq	15	75,000
Laurentide Paper	1½q	2	432,000
Laurentide Power	1¾q	15	131,250
Loew's Marcus, pref.	3½s	15	22,886
Loew's London, pref.	3½s	15	11,809
Mackay Cos., com.	1¾q	2	724,157
Do. pref.	1q	2	500,000
Maple Leaf Mill, pref.	1¾q	18	51,275
Mining Corp.	12½cq	31	207,504
Montreal Telegraph	2q	15	40,000
Maritime Teleg'ph, com.	1½q	2	12,750
Do. pref.	1½q	2	15,000
Do. pref.	1¾q	2	26,250
Nat. Breweries, com.	$1q	2	22,548
Do. pref.	1¾q	2	48,562
Nipissing Mines	8q	20	180,000
North Star Oil, pref.	1¾q	2	17,500
National Grocers, 1 pref.	†3	2	30,000
Ogilvie Flour, com.	$1.25q	2	93,750
Ottawa L. H. & Pr., com	1½q	2	52,500
Do. pref.	1¾q	2	24,125
Ottawa Mont. Pr., pref.	1¾q	15	13,125
Ottawa Traction	1+1q	2	111,630
Pacific Burt, com.	1½q	2	9,813
Do. pref.	1¾q	2	11,301
Page-Hersey Tubes, com	1.75q	2	48,230
Do. pref.	1¾q	2	49,000
Penn. Water & Power	2q	2	214,924
Porto Rico Rlys, pref.	1¾q	2	17,500
Power Corp. of Can., pref	1½q	15	37,500
Price Bros., com.	½q	2	213,416
Do. pref.	1¾q	2	113,750
Port Alfred Pulp, pref.	1¾q	2	17,500
Premier Mining	8cq	4	400,000
Prov. Paper, com.	1½+1q	2	87,500
Do. pref.	1¾q	2	29,750
Quebec Power, com.	1¾q	15	49,296
Do. pref.	1¾q	15	61,989
Rogers, Wm., pref.	1¾q	2	19,649
Shawinigan W. & Pr.	2q	11	440,000
Shredded Wheat	2½q	2	250,000
South. Can. Pr., pref.	1½q	15	44,772
Span. River Pulp, com.	1¾q	15	165,322
Do. pref.	1¾q	15	150,840
Sterling Coal	1q	2	25,000
Stanfields, pref.	$1	10	10,000
Trinidad Electric	1¾q	11	14,550
Tuckett Tobacco, com.	1q	15	25,000
Do. pref.	1¾q	15	35,000
Twin City, com.	$2s	2	440,000
Do. pref.	1¾q	2	52,500
Wabasso Cotton	$1q	2	35,000
West Koot. Power, pref	1¾q	2	8,750
Winnipeg Elec., pref.	1¾q	2	52,500
Woods Mfg., pref.	1¾q	2	26,744
Wrihgt Hargreaves	2½+7½	2	275,000
			$13,948,576
Banks			
Dominion	3+1q	2	$240,000
Montreal C. & D.	$2.50q	2	49,952
Nova Scotia	4q	2	400,000
			$689,952
Trust, Loan and Insurance			
Brit. Mortgage Loan	6+2s	2	$40,000
Brit. Amer. Assur.	5s	2	27,500
B.C. Perm. Loan	3s	15	28,299
Canada Life Assur.	3¾q	2	37,500
Canada Landed	2½+1q	2	42,175
Canada Permanent	3q	2	21,000
Can. Mortgage Invest.	2½s	2	31,117
Canada Trust	4½s	2	45,000
Central Can. Loan	3+2q	2	52,500
Colonial Invest., pref.	6y	2	37,590
Crown Trust	1½q	2	7,500
Can. Perm. Trust	1¾q	2	12,500
Chartered Trust	1¾q	2	9,087
Dominion Life	4q	2	8,000
Excelsior Life	4s	2	5,400
East Can. Savings	2q	1	15,000
Eastern Trust	2½q	2	25,000
Great West Life	10s	2	100,000
Guar. Co. of N. Amer.	3q	15	9,138
Hamilton Prov. Loan	5s	2	60,000
Huron & Erie Mtge.	1¾q	2	87,500
Imperial Life	3¾q	2	22,500
Manufacturers Life	4s	2	12,000
Landed Banking	4½s	2	45,000
London Loan	1¾q	2	15,600
London & West. Trust	1¾q	2	8,750
Mfrs. Finance, pref.	4s	15	12,000
Monarch Mtge., com.	1s	15	5,000
Do. pref.	4s	15	40,000
Montreal Trust	3¾q	15	37,500
Mutual Finance, com.	5y	15	16,850
Do. pref.	4s	15	27,080
National Life Assur.	2½q	2	6,250
National Trust	3q	2	67,500
North Amer. Life	5s	1	3,000
Northern Mortgage	3s	2	60,246
Ontario Loan	2¾q	2	48,125
Real Estate Loan	3½s	2	17,500
Royal Loan	2½q	2	15,000
Sun Life Assur.	3¾q	2	31,875
Toronto Gen. Trusts	3q	2	60,000
Toronto Mortgage	2½+1	2	25,357
Toronto Savings	3q	2	30,000
Trusts & Guarantee	3s	2	42,930
Union Trust	1¾q	2	17,500
West. Assur., pref.	3½s	2	35,000
			$1,404,369

q—Quarterly.
s—Half-yearly.
m—Monthly.
y—Yearly.
*—2 Months.
†—4½ Months.

Bond Interest Due in January

Company	Rate	Due	Amount
Abitibi Pulp	6	1940	$ 109,410
Asbestos Corp.	5	1942	68,505
Atlantic Sugar	6	Serial	26,850
Belgo Can. Paper	6	1943	235,050
Burns, P.	6½	1943	109,891
Calgary Power	5	1940	71,565
Canada Paint	5	1939	8,519
Canada Iron	6	1939	20,691
Cons. Rubber	5	1947	200,000
Can. Cottons	5	1940	106,712
Can. Locomotive	6	1951	39,294
Cape Breton Elec.	5	1932	27,400
Cedar Rapids	5	1953	346,682
Can. Light & Pow	5	1949	167,500
Cons. Smelters	7	1929	105,000
Do.	7	1942	135,327
Chicoutimi Pulp	6	1943	55,020
Commercial Cable	4	2397	76,705
Demerara Elec.	5	1929	12,500
Dominion Iron	5	1929	143,875
Detroit Rly.	4½	1932	247,500
Duke Price Power	6	1949	360,000
Gatineau River Pr.	6½	1940	11,375
Eastern Car	6	1952	25,830
Fraser Co's	6	1950	105,000
Inter. Milling	6	1930	14,925
Jamaica Pub. Ser.	6½	1943	32,500
Laurentian Power	6	1936	52,000
Laurentide Power	5	1946	187,500
Do.	5½	1946	34,312
Kaministiquia	5	1937	46,125
Maritime Telegraph	6	1941	45,000
Mount Royal Hotel	7	1942	137,200
Montreal L. H. & Pr.	4½	1932	141,772
Montreal Trams	5	1941	577,525
Minn. S. S. M.	4	1926	162,720
Minn. St. Paul	4	1938	1,137,260
Do.	5	1938	153,700
Do.	4	1949	70,000
Do.	6	1946	73,050
National Brew.	6	1935	35,400
Northern Ont. Light	6	1931	150,195
N.S. Steel, debs.	6	....	149,855
Do. bonds	5	1959	132,797
Ontario Steel	6	1943	12,680
Ottawa Traction	5½	1955	82,500
Ont. Pulp & Paper	6	1931	32,766
Ottawa Gas	5	1934	3,750
Penn. W. & Pr.	5	1940	292,550
Pac. Great Eastern	4½	1942	378,000
Do. Guar.	4½	1942	75,600
Rio Janeiro	5	1935	625,000
Saguenay Pulp	6½	1930	175,500
Sher-Williams	6	1941	48,093
Simpson, Robt.	5	1952	46,300
Smith, H. Paper	7	1941	157,500
St. Law. Flour	6	1941	2,745
Steel of Can.	6	1940	193,218
Shawinigan	5	1934	95,212
Do. (B)	6	1950	160,000
Do. (C)	6	1950	179,940
Sterling Coal	6	1940	25,158
Sherbrooke Rly.	5	1940	31,900
Sherbrooke St. Rly.	5	1927	29,400
Sao. Paulo Elec.	5	1962	243,332
Sydney & Glace Bay	5	1932	3,375
Span. River Pulp	6	1931	50,589
Stadacona Hydraulic	5	1931	7,480
West. Dry Dock	6	1931	13,803
Windsor Hotel	6½	1943	81,250
Western Power	5	1949	125,000
Winnipeg Elec.	5	1935	108,325
Do. Street	5	1927	16,675
Wpg. Selkirk Rly.	5	1933	1,270
Vancouver Pr., debs.	4½	1953	10,939
Do. Prep.	4½	....	162,000
Corporation Boards			9,621,337
Municipal Boards			*3,400,000
Provincial Boards			*2,800,000
			$15,821,337

*This figure is determined by dividing by 12 the estimated total interest payable during the year on these issues.

News of the Investment Market

NORTHERN ONTARIO LIGHT AND POWER WILL CALL BONDS

New Issue Being Offered on Basis of Exchange for Old Bonds

The Northern Ontario Light and Power Company are making arrangements for the redemption next July, at par and accrued interest, of the first mortgage, twenty-year, 6 per cent., bonds, which would normally have matured in 1931. In place of these a new issue of $5,250,000 6 per cent. first mortgage gold bonds, dated January, 1926, and maturing in 1946, is being made.

The new offering is not a public issue, but is subject to the privilege of exchange for the old bonds, par for par. To take advantage of this privilege, holders of the old bonds are being asked to hand in their bonds to the Toronto General Trusts Corporation, or the Bankers' Trust Company of New York, before the end of the year. It is obvious that the new issue cannot be completed while the old mortgage is still outstanding, so provision is being made that those turning in their holdings in the manner suggested, before December 31 will receive receipts entitling them to the bonds of the new issue to the same amount, the first interest coupon being for the payment due July, 1926.

What will be the procedure of the company in the case of an unexchanged surplus of the old bonds remaining outstanding for cancellation, is not yet stated. It is stated in the announcement that if new bonds are not received prior to the 10th of July, next, the old bonds will be received back.

A question naturally arises with regard to what inducement is offered to the holders of the present bonds to make the exchange, and the answer is that there is none beyond the opportunity to continue their present investment. Six per cent. bonds maturing 1931 are being exchanged for 6 per cent., maturing 1946. There is no additional interest since the January coupon is retained before the bonds are turned in, and the July interest is paid by the first coupon of the new issue. While no information has yet been given out with regard to redeeming the bonds of holders who do not care to make the exchange, it may probably be assumed that, should a substantial margin of the old bonds fail to be turned in for conversion, a public issue will then be made, depending in size upon the volume of bonds exchanged.

The bonds now outstanding were added to at different times, and the amount outstanding at the end of last year was $6,869,500, of which $1,863,000 had been deposited with trustee for sinking fund, and cancelled, leaving $5,006,500 outstanding at that date. The sinking fund calls for an annual payment to the trustee of an amount equal to 2½ per cent. of the par value of the bonds issued to date to be used to purchase or redeem bonds at a price not exceeding par. Up to the end of last year the sinking fund had retired bonds to a par value of $1,863,000.

SELL B.C. WHITE SPRUCE LIMITS

VANCOUVER. — One of the finest tracts of spruce in British Columbia has been sold to Nicola Pine Mills at Merritt. The company will switch its mill from pine to spruce cutting.

QUEBEC SOUTHERN POWER Corporation

6½% FIRST MORTGAGE and Collateral Trust Sinking Fund Gold BONDS
Due May 1st, 1945

¶ These bonds provide not only a secure income of 6½%, but also interesting possibilities of profit through ownership of the common stock now obtainable as a bonus with the bonds.

¶ With lines constructed into 36 communities, of which 30 are now being served with power and light, the Quebec Southern Power Corporation and its subsidiary are assured of steady increases in business and earnings in prosperous and growing districts now served and to be served.

Price: 100 and interest to yield 6½%.

Carrying bonus of two shares of Common stock with each $1,000 bond.

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Limited
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INTERESTING ISSUES

Sao Paulo Tram Bonds Due 1929 Offer Attractive Yield

Something of the romatic attaches to the development of such enterprises as the Sao Paulo Tramway, Light and Power Co., and other projects connected with the Brazilian Traction on account of the fact that this is the result of one of the early exploits of Canadian capital in foreign fields. The first mortgage, 5 per cent. bonds of Sao Paulo Trams are due in 1929 and are fairly widely traded in the Canadian market.

The company in question was organized in Ontario in 1899, and in 1907 acquired the property and rights of the Santa Anna Railway, which has been entirely replaced by an electric line opened in 1908. They have an exclusive thirty-year concession for lighting in Sao Bernardo, as well as owning and operating 156 miles of street railway. The tramway franchise extends forty years, beginning 1901 with the privilege of renewal.

The capital stock of the Sao Paulo Tramway, Light and Power Co., amounts to $10,000,000 with a par of $100, and of this amount, Brazilian Traction, Light and Power own more than 99½ per cent. The company has operated successfully during the greater part of the period since its incorporation; and has made very substantial earnings for the holders of the securities. Commencing in 1903, the company paid dividends at 5¾ per cent.; by 1910 it had moved up to 10 per cent., with payment of a quarterly dividend of 2½ per cent., which rate was maintained until November, 1917, and since that time none has been paid.

Attractive at Present Price

The first mortgage bonds of the Sao Paulo Trams are quoted on the London and Toronto exchanges. The present price in Toronto is approximately 94-95, with a corresponding price in London. The bonds, of which there are $6,000,000, mature in June, 1929, and at the present price offer a fairly attractive short term investment. They are secured by a first lien on all the property and rights of the company, as the title infers, and at maturity they are payable at par in Toronto and in London. Interest is payable at the National Trust Co., Toronto, and at the Canadian Bank of Commerce, London, Eng.

While the gradual appreciation in the value of Brazilian exchange does not bear upon the retiring of the bonds, it is a favorable factor with regard to the general earnings of the company, and along with Brazilian itself, this company is reaping benefit from the rise in the milreis.

Following is the price range of the bonds during the past six years:

	1919	1920	1921	1922	1923	1924
High	80	79	82	91½	90¼	90
Low	76	69¾	70	80	86	86½

$12,000 Payable on Melville Debentures

The secretary of the Dominion Mortgage and Investments Association reports that he has received information from the local government board, Saskatchewan, that it has on hand $12,000 for distribution to Melville debenture holders who have not reported their holdings in connection with the settlement made over a year ago. The amount of the debentures upon which this money is payable is $52,861.

P. G. E. BILL INTRODUCED

A solution for the problems of the Pacific Great Eastern Railway is sought in a bill placed before the British Columbia legislature last week. It calls for the setting aside of huge blocks of land, not to exceed 20,000 acres per mile and a subsidy as well as assistance from the Dominion Government in lands and cash in order to complete the railway to the eastern boundary of the province. The land grants in all include 16,075,000 acres in four large blocks.

Another proposal in connection with the bill is to ask the Federal Government for the return of unalienated lands in the Peace River block.

St. Maurice Valley Corp'n.
6% 1st Mtge. and Collateral Trust Bonds
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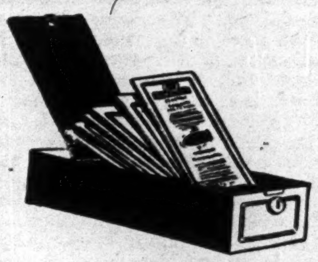

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(b) gives the investor mortgage safety with bond convenience; all duties of supervision of property, collection of monies, etc., continue to be performed by us, during the entire lifetime of the bond issue.
(c) pays interest semi-annually, in Canadian or United States funds at the option of the holder, with normal Dominion income tax on such return refunded.

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Earnings for past 7 years average over 6 times interest requirements of this issue.
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First Mortgage Bond
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This company's net earnings for the past five years have averaged over twice required bond interest. The increased demand for power in the north insures the future of the company. We recommend this security.

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NO DENYING RIGHT OF CANADIAN RACE

Registrar Asks if Chinese Born in Canada is Canadian—Or English Born in China a Chinaman

Dr. J. W. S. McCullough, Ontario's registrar, denies the recent implication of a New Toronto father that his department were striving to establish that Canadians are not a race of people. The father tried to register the birth of a daughter. The fact that he received requests for further information led him to conclude that his registration had not been accepted and would not be until all the information asked was supplied.

Evidently this conclusion is erroneous. Dr. McCullough says nothing could be further from the truth, and in making this statement he removes an impression held by many. He says:

> Births occurring in Ontario are registered primarily with the clerk of the municiality where the child is born and these registrations, sent to the Department every month, are indexed and kept on file as permanent records no matter whether the return is complete or not.
>
> The information asked about the new baby on the form supplied by the Department for the purpose, has four divisions, the first of which includes the information as to the name, time and place of birth of the child and establishes the fact of the child's identity and of his birth in Canada—nothing is asked about the child's racial origin. The second and third portions of the form seek information about the mother and father, and among other questions their racial origin is asked for. The fourth portion is for signature, etc.

The deputy registrar says that some people seem to resent the imputation that because parents were born in Canada their child has a racial origin other than Canadian. He makes the point that under the circumstances "Canadian" as racial origin would not be correct, since racial origin means the original race from which the person sprung. He emphasizes that the racial origin of the babe is not asked. He concludes:

> I wonder what your correspondent would designate as the "racial origin" of a child born in Ontario of Chinese or Japanese parents, or one born in China of English parents. Would he consider the circumstances as a justification for saying that the child was a Canadian in the first case and Chinese in the second?

CANADIAN FIRMS GET BIG SOVIET IMPLEMENT ORDERS

(Continued from page 1)

purchases of agricultural machinery which are provided by the Soviet import program for the fiscal year 1925-26.

More Orders Expected

Further Russian orders are expected for Canadian implement and other manufacturing firms. Orders are executed by the Amtorg Trading Corporation with the approval of the Soviet commercial agent at Montreal, M. Yazikoff, a former member of the Lenin government, who has been located in Montreal for some time.

It is understood that Canadian manufacturers receive about a third of the value of the order in cash when placed with them, and that good terms for the balance have been arranged through the Chase National Bank, of New York, financial agents for the Soviet commercial organizations.

A portion of the orders for this continent have been diverted to Canada, it is understood, because the Soviet government is anxious to create a friendly atmosphere in Canada.

The Locarno treaty is regarded as improving the position of Canadian manufacturers in the acceptance of these orders. The Dawes plan and the Locarno pact have helped to stabilize the position of Germany, and as Germany has, by these arrangements, gotten the political arrangements it has been seeking, it is likely to work now for the improvement of economic affairs in Russia. There German influence is very strong. The better conditions make the financing of Russian orders in Canada more simple and safer for the Canadian firms, where judgment is shown in credit extension.

ATLANTIC SUGAR HAS NOW FUNDED ITS SUGAR DEBT

(Continued from page 1)

will reduce the annual interest charges by some $40,000.

The sinking fund payment on these bonds begins with $50,000 annually, and works up to $125,000 annually at the end of seven years. After seven years the sinking fund charges will increase to $400,000 annually.

The second part of the plan does not concern the creditors, but is designed to place the company in a sound working capital position, so that in the new year it will get away to a clear start, entirely unhandicapped as it has been in the past. This provides for a change in the common stock from a par value of $100 to shares of no par value. Then a new issue of the new common stock, amounting to some 30,000 shares, will be sold to the shareholders at below market levels in the ratio of one new share for every two held. The sale of this stock will place the company on a first-class financial footing.

Present Year Yields High Profits

Earnings on the preferred stock during the current year will be in the neighborhood of 55 per cent., and the earnings on the common will be about the equivalent of $10 per share. Furthermore, it is the low price of raw sugar which has, in a large measure, helped Atlantic Sugar to achieve these considerably bettered earnings; all indications point to a continuance of these low raw sugar prices in the future. It seems reasonable to expect, therefore, that in the future the company should be able to make earnings on its new capital structure.

This is all welcome news to the shareholders who have been waiting a long time for such an adjustment in the company's financial affairs. Furthermore a study of the funding arrangements reveals the fact that the management has certainly been acting in the best interests of the shareholders and has been highly successful in obtaining favorable settlement terms.

UNLISTED BONDS
(Montreal Stock Exchange)

	Bid	Asked
Abitibi 6% 1940	100¼	101
Alabama 5% 1962	107½	108½
Algoma Steel 5% 1962	29	30
Belding 5% 1936	85	..
Belgo Can. Paper 6% 1943	100½	101¼
Brand-Henderson 5% 1939	90	..
Burns, P. & Co. 6½% 1943	102¼	103⅜
Can. National Rly. 5% 1954	100⅜	101⅛
Calgary Brewing 5% 1942	83½	..
Can. Steamship Lines 7% 1942	100½	101¼
Can. Pacific Rly. 5% 1934	99½	99⅞
Can. Pacific Rly. 4½% 1944	92⅞	93⅜
Can. Steel Foundries 6% 1936	100	..
Dom. Iron 5% 1939	65	..
Dom. Textile 6% 1949	105¼	..
East Koot. Power 7% 1942	102½	..
Frontenac Brewing 6% 1951	94¾	..
H. Smith Paper 7% 1941	97	97½
Laurentide Power 5% 1946	99¼	99¾
Laurentian Power 6% 1936	99¾	..
Maple Leaf Milling 6½% 1943	104	..
Man. Power 7% 1941	103	104
Mattagami 7% 1949	35	..
Montreal Steel Works 6% 1940	100	..
Prov. of Ontario 5% 1948	100⅜	101¼
Nor. Ont. Power 6% 1931	98¾	99½
Ontario Pulp 6% 1931	107	..
Price Bros. 6% 1943	101½	..
Quebec Power 6% 1953	102¾	103
Walmsley, Chas. 6% 1943	96	97¼
Winnipeg Elec. 6% 1954	96¼	97½
Sherbrooke Rly. 5% 1940	77⅜	..
St. Law. Sugar 6% 1932	92	..
St. Maur. Power 6½% 1953	108	109

BOND MOVEMENTS OF THE WEEK
WEEK ENDING DECEMBER 22

Bonds	Int. Rate	Due Year	Yield	Range 1924 High	Range 1924 Low	Range 1925 High	Range 1925 Low	Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos	5	1942	5.69	83	73	99	80¼	93	92½	92½	—
Can. Bread	6	1941	5.52	102½	99	105	102	—	105	105	—
Can. Canners	6	1950	6.44	—	—	96¼	90	94½	94¼	94½	94
Can. Cement	6	1929	5.09	103½	100	103¼	100	103¼	102¾	103¼	102
Can. Cottons	5	1940	5.45	99	88	96	91½	—	94½	94½	—
Can. S. Lines, deb.	5	1943	6.63	80	72	83	77	83	—	83	—
Cedar Rapids	5	1953	5.06	99¾	95	101	97	—	99¼	99	—
Montreal Trams (A)	5	1955	5.40	95	91	98¾	92¼	93¼	—	94	92¾
Montreal Trams	5	1941	5.25	95½	91	98	94⅞	97¼	96⅝	97¼	—
Ogilvie (B)	6	1932	4.97	104	102½	106½	104	—	106	106	—
Quebec Rly.	5	1939	5.67	91	80	98	89¾	95	—	93½	93
Steel of Can.	6	1940	5.43	103½	103	106	103	—	106	105¾	—
Wabasso	6	1947	6.08	96⅛	90¼	99	92	99	—	99	—
Wayagamack	6	1951	6.65	66	76	98¾	84¾	93	91½	92	91½
War Loan	5	1931	4.59	102.45	101.60	102.65	101.00	102.25	102.15	102.10	101.90
Do.	5	1937	4.54	103.85	102.60	104.95	103.80	104.30	104.20	104.25	104.00
Victory Loan	5½	1927	4.44	103.05	102.05	103.15	101.70	102.15	102.05	102.00	101.80
Do. "	5½	1933	4.62	106.70	104.15	107.00	105.10	105.60	105.50	105.60	105.30
Do.	5½	1934	4.98	104.70	102.85	104.80	103.20	103.80	103.70	103.75	103.60
Do.	5½	1937	4.54	108.90	106.15	110.00	108.15	108.80	108.70	108.85	108.60
Do. Refund	5	1928	4.79	100.85	99.50	101.45	100.15	100.70	100.60	100.65	—
Do. "	4½	1940	4.86	—	—	97.25	92.20	96.10	96.00	96.20	96.10
Do. "	5	1943	4.85	102.85	99.00	102.90	101.15	101.60	101.50	101.75	101.40
Do. "	4½	1944	4.75	97.15	97.00	97.75	96.20	96.75	96.65	96.95	96.90
Do. Renewal	5½	1927	4.80	102.70	101.10	102.95	100.80	—	101.30	101.30	101.05
Do. "	5½	1932	4.96	103.90	102.10	104.20	102.65	103.15	103.05	103.10	102.75

WEEKLY RECORD OF CANADIAN FINANCING

Place	Date	Sold To	Rate	Maturity	Amount	Price	Yield
		MUNICIPAL					
Bond Sales—							
Saskatchewan Schools, etc.	Dec.	Various	....	....	$21,980	....	...
Harriston	Dec.	Cochran, Hay & Co.	5%	1945	22,000	99.04	5.11
North Vancouver	Dec.	R. P. Clark & Co.	5½%	1930	150,000	....	...
		CORPORATION					
Hotel-Dieu St. Sacrement de Quebec		L. G. Beaubien et Cie. and Syndicate	5½%	1935	1,500,000	....	...
Stock Issues—							
St. Maurice Valley Corp.		Wood, Gundy & Co.	7%	pref.	4,300,000	100	...

Municipal and Provincial Finance

BOND MARKETS SLACKEN UP FOR HOLIDAY PERIOD

January Interest and Dividends Will Total More Than $31,864,225

The effect of the holiday season is already evident in the bond market in the absence of new issues and in the limited amount of trading carried on during the week. Any important issues which are now in course of preparation have been left over until after the holiday and timed, presumably, to come forward in the early part of the new year. Further industrial developments are said to be pending and new hotel rumors are still in the air.

The Canadian market is still provided with an almost unprecedented abundance of funds available for investment, and the total will be further increased by January payments on account of bond interest and dividends, which amount to $31,864,225 in comparison with $30,897,967 for January, 1925. Owing to the absence of government payments, the total is smaller than for some previous quarterly payment periods during the year, and for previous corresponding periods. On the other hand, this is a very important addition in view of the present state of the money market. There is still a plethora of available funds in the banks, and in the absence of demand for commercial loans it is being turned into the investment market and into loans to the municipalities.

While figures are not yet complete for the total of bond sales during the calendar year 1925, it is now apparent that Canadian sales have totalled something in the neighborhood of $480,000,000 in comparison with a total of $580,495,491 during the calendar year 1924. Of this total, according to statistics available to date, approximately 48 per cent. was sold in Canada, 46 in the United States, and 6 per cent. in Great Britain. Last year, according to statistics presented in The Financial Post Survey, out of the $580,495,491 bonds sold, 66.96 per cent. were sold in Canada, 32.46 per cent. in the United States and .64 per cent. in Great Britain. While the latter country is not participating in any large way as yet, in Canadian offerings, the removal of the embargo against foreign and Dominion loans is already having an effect.

While the holiday has slowed down trading in the American market as well, there has been a visible effect of the slightly tighter money conditions, and prices have receded in many lines. The only notable exception has been in the case of high grade railway issues which have remained relatively firm.

Hints of a new French loan have been sufficient to soften certain of the government issues in New York. Some of the municipals and railway bonds declined slightly in sympathy, so that most of last week's gain was swept under. Trading in the other foreign issues has been very quiet during the week.

VANCOUVER SPENDS $1,020,000

The streets and schools of Vancouver will benefit to the extent of $1,020,000 during the coming year. This was decided recently by the civic ratepayers, and a recount of the votes may add some $50,000. In addition the roads by-law just passed permits the city to borrow $250,000 for the continuance of improvements to the thoroughfares of the city. School construction will require an outlay of $320,000.

Tenders and By-laws

TENDERS CALLED

December 28, City of Longueuil, P.Q. — $17,500, 5 per cent. serial debentures. J. A. L'Heureux, sec.-treas.

December 28, School Commission, Town of Amos, P.Q. — $26,300, 5½ per cent. serial bonds. B. Trudel, sec.-treas.

Jauary 4, Town of Sainte Therese, P.Q.—$65,000, 5 per cent., serial debentures. J. L. Blanchard, secretary-treasurer.

January 4, School Commission of La Sarre, P.Q.—$10,000, 5½ per cent., serial bonds. J. A. Gagnon, secretary-treasurer.

January 4, Town of Dorval, P.Q.—$35,000, 5 per cent., serial debentures. H. Meloche, secretary-treasurer.

SASKATCHEWAN

Authorizations Granted by the Local Government Board, From Nov. 30 to Dec. 12, 1925

Woodville, $3,000; Riding Hill, $3,500; Bernadette, $2,500; Valiant, $3,750.

Telephones—Pennant Northern, $600; Annaheim, $350; Attica, $3,160.

Debentures Reported Sold

Bracken S.D. No. 4609, $9,500, 20 years, 6 per cent., C. C. Cross & Co., Regina; Sparrow Hill, No. 4431, $2,800, 15 years, 6¼ per cent., Regina Brokerage & Inv. Co.; Congress No. 3236, $1,000, 10 years, 6 per cent., Melfort Sinking Fund; Pebble Hills No. 4635, $3,200, 15 years, 6 per cent., C. C. Cross & Co., Regina; Booth No. 3226, $4,000, 15 years, 6¼ per cent., C. C. Cross & Co., Regina; South W. Regina R. T. Co., $780, 15 years, 6 per cent., Melfort Sinking Fund; Walpole R. T. Co., $700, 10 years, 6½ per cent., Geo. Moorhouse & Co., Regina.

Winnipeg Hydro Would Now Abandon Zoning

Rather a hot controversy is raging in Winnipeg municipal and hydro circles over the proposed zoning agreement with Winnipeg Electric. It seems that J. G. Glassco, manager of Hydro, has now recommended that the proposal be abandoned. On the other hand, there are aldermen who are in favor and A. W. McLimont, of Winnipeg Electric, has pointed out a number of benefits which he sees will accrue to Hydro by the scheme.

The proposal is that Winnipeg abandon the retail power field in the city and leave it to Hydro. The Hydro would abandon the rural centres in close proximity to the city and the Hydro would purchase the power, now distributed retail by the company in the city. It is interesting to note, as one of the aldermen points out, that the zoning proposal came from Hydro.

MUNICIPAL EXPENSES EXCEED TAX YIELDS

Per Capita Costs Exceed Taxes in Fourteen Leading Cities

Evidence of the disinclination to pay-as-we-go municipality is seen from the published figures of the various Canadian municipalities. In a statement prepared recently by the Canadian Tax Conference under the direction of the Citizens' Research Institute, it is shown that out of seventeen of our largest cities only three are levying per capita taxes to as high a figure as the total per capita municipal expenditure. In other words, we refuse to pay, for municipal purposes, as much as we wish to spend. Following is a statement of the per capita taxes levied, including school taxes, and the per capita municipal expenditures of the seventeen leading cities of the country:

	Per Capita Taxes Levied	Per Capita Expenditure
Victoria	$46.46	$63.20
Vancouver	43.82	51.43
Edmonton	52.12	62.83
Calgary	51.98	55.03
Regina	43.11	51.74
Saskatoon	49.27	57.54
Winnipeg	48.22	52.34
Toronto	49.27	55.14
Hamilton	41.53	47.39
Ottawa	42.90	41.32
London	43.87	46.99
Windsor	59.70	52.20
Montreal	31.48	38.31
Quebec	27.70	29.50
St. John	31.60	30.22
Halifax	31.07	(6) 32.62
Charlottetown	9.98	12.69

While it is indicated by the Citizens' Research Institute, in compiling the above statistics, that comparisons should not be pushed too far on account of the different conditions existing in the different cities. the general relationship existing between the amount of taxes paid and the amount of money spent, in 1924, may be noted. Only in the case of Ottawa, Windsor and Saint John does the tax exceed the amount spent, while in nearly all other cases the per capita expenditure is considerably in excess of the tax.

TWO ONTARIO CITIES FACE PROBLEM WITH THEIR STREET RLY.

London and Hamilton Companies Have Threatened to Withdraw Service

The street railway situation in Hamilton and London continues unsolved. These two cities are facing problems that are almost identical. In each case the franchise has either expired or is about to expire. In each case the company asked additional consideration in the matter of tariffs, contending that the schedule of fares fixed 30 or 40 years ago is inadequate for to-day. In both cases jitney and bus competition is a factor.

Hamilton's franchise expires in 1927. At the recent municipal election the ratepayers were asked to vote on the purchase of the railway or a renewal of the franchise. Both were rejected. The company served notice on the city that it would discontinue the service forthwith. The city then made concessions to the end that the company would continue service for 60 days pending the negotiation of a new agreement. The drawing of the latter has not as yet started.

London's franchise expired not long ago and was automatically renewed for 5 years when the city neglected to serve notice of intent to purchase. The fares fixed by the London by-law are seven tickets for a quarter, with nine for a quarter for special rush hours. The company, with the approval of the legislature, charged a 5 cent fare for a year or so, and when this authority was exhausted continued to do so until the Ontario Railway Board ordered a return to the old fare. The company then served notice on the city that it would end the service forthwith. Delay was secured by the council granting the right to charge five cents for a 60-day period while an agreement was being negotiated. The company accepted this on condition that after the first of the year buses and jitneys competing with the railway system should be banned from the streets. They are asking an exclusive right to carry passengers in the city, the same as is the Hamilton Street Railway, in Hamilton.

Conditions in both cities are unsatisfactory. In each the railways are losing money. In each the question of purchase of the system has been long discussed, but in these days of high taxation, there seems a natural hesitancy of rushing the city into an expenditure of a million or so as purchase price and then face the expenditure of another couple of million for betterments of which both railways are badly in need.

AWARDED BOND ISSUE

A syndicate headed by L. G. Beaubien et Cie. and including le Credit Anglo-Francais, Provincial Securities and the Municipal Debenture Corporation, was awarded the $1,500,000 issue of the Hotel-Dieu du St. Sacrement de Quebec. These bonds mature in 10 years and bear 5½ per cent. The public offering will be made in January.

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Quebec Railway 5's ——— 1939
St. Maurice Power 6½'s ——— 1953
Wayagamack 6½'s 1930
Wayagamack 6's ——— 1951
Montreal Tramways 5's 1941
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Insurance for Buyer and Seller

SPRINKLERS, WELL INSTALLED, SELDOM FAIL TO STOP FIRE

Their Effectiveness Lies in Checking Blazes When Incipient

Problems bearing upon the control and extinguishment of fires, covering the design, installation and maintenance of equipment employed to oppose the progress of fire and to put it out are quite distinct from the problems of preventing a fire from starting.

In dealing with these problems often the only thing that can be provided is apparatus to be operated manually by firemen or employees to extinguish a fire, but usually it is possible to introduce measures as will furnish reasonable assurance that fires which may occur will be compelled to announce their own advent and set in motion the means for their own restraint or extinguishment. This requires automatic devices which, because they are made, installed and maintained by fallable human beings, may fail to function in a few instances.

But the difficulties encountered in controlling the average fire with manually operated apparatus, even though such apparatus may be more powerful because it can be concentrated better than any practical automatic equipment, increase rapidly as a fire increases in size, multiplying in much more that direct relation to the age of the fire; so that automatic equipments as now fairly well perfected are vastly more effective than manual apparatus in preventing heavy fire losses, even allowing for an occasional failure of the automatic devices. The superiority of the automatic contrivances lies in their ability to attack the fire in its incipiency, during the period when, without such devices, the time would be spent in locating the fire, announcing it, and bringing up the manual apparatus for its control.

The most effective agent at present known for the automatic control of fire is the automatic sprinkler. It is no longer an untried device. Records of all kinds of sprinkler equipments over a period of the last thirty years show that in 96 of every 100 cases where a fire occurs in a sprinklered building, the sprinkler is either successful in immediately extinguishing the fire, or it is able to hold the fire in check until more powerful manual means can be mobilized to attack it.

Of the four fires in every hundred where the systems fail to hold the fire, the situation usually is that the maintenance of the system has been neglected or one of the factors necessary for the successful operation of the equipments has been not cared for.

Only Four Per Cent. Failures

The record of the automatic sprinkler conclusively proves its worth but the 4 per cent. of failures shows that it can only be of maximum utility when properly installed and maintained. There is not space enough to go into the details but a brief mention of the important features to observe to insure the complete success of sprinkler protection will be mentioned.

First, the system should be installed only by a reliable contractor, and one who is specially experienced in sprinkler installations. Then it is necessary to provide adequate and emergency water supplies for the system and to provide means for a fire department to pump water into the system if the occasion arises. Careful supervision must be exercised to insure the proper maintenance of the system and to make certain that the valves controlling the water supplies are at all times open. Provision, too, should be taken to make the floors watertight, and to provide scuppers or drains to carry off water, thus preventing water damage. An alarm system also should be provided to announce a fire so that other fire protection may be summoned, or if the fire is out, to shut off the water to prevent water damage.

These are only a few of the details to be observed, but if they are not overlooked, a sprinkler system may be depended on to prevent practically any loss by fire. They are of particular value to the person who at present houses his business in a building not of the best construction with regard to the fire hazard, as the presence of sprinklers does much to overcome the disadvantage of a combustible building.

Death Rate in Canada Lower During Year 1925

It is most encouraging to note that the attempts made in Canada to reduce mortality from all causes have been considerably successful during the year 1925. It has been the most favorable year ever experienced in Canada. The death statistics are based on the two million Canadian policyholders of the Metropolitan Life and their families of the industrial class. The death rate was 8.2 per thousand of population, as compared with 9.2 for the corresponding period of 1924.

Compared wtih the same period last year, a decline of over 17 per cent. has been recorded in the mortality from tuberculosis.

The greatest decline in death rate was shown in connection with diphtheria. Indeed, the death rate was the lowest ever recorded for a similar period.

This record is an evidence of the response which has been made to two great medical discoveries of this century: antitoxin treatment for diphtheria and toxic-antitoxin for immunisation against it.

As usual, heart disease has been the chief cause of death, with tuberculosis ranking second.

Where Canadian Insurance Will Gain

RECENTLY The Financial Post learned that two large American insurance companies had decided to stop all Canadian advertising on the grounds that the backwash of their American publicity would cover Canada equally as well as Canadian journals. This, in turn, must result in unfair competition by American insurance companies doing business in Canada, for, in the costs of such companies, there is no item for publicity or advertising, whereas the Canadian companies, in order to compete with the American organizations, must advertise to insurance agents and buyers, and that fairly extensively, to compete with hundreds of thousands of American papers which come to Canada carrying many thousands of lines of American insurance company advertising.

Yet, if it should become a more or less general practice for United States insurance companies to merely regard this country as a hinterland where any business offering may be picked up without identifying themselves with business practice in this Dominion, it seems safe to say that the Canadian companies and foreign companies which identify themselves with Canadian affairs will ultimately reap the benefit.

Caroline Ross, Former Nurse, Successful in Life Insurance

She Sells $100,000 of Insurance a Year and Works a Great Deal Among Nurses — Keeps Policies Sold by Showing What They Mean

By FLOYD S. CHALMERS

MISS S. CAROLINE ROSS.
A former nurse, who writes more than $100,000 worth of insurance a year.

CAN women sell life insurance? The answer need not be theoretical. Women are selling life insurance in Canada; selling it successfully. I went to a luncheon of the Toronto life underwriters not long ago and as I arrived somewhat late I found the vacant places few. The best seat left was at a table otherwise taken up entirely by ladies and, prompted by curiosity to talk to a few capable life insurance women, I took that chair as my own. Every woman at the table—there were perhaps half a dozen—was making good in the business of selling life insurance and there were other women at other tables in the room who had qualified in the same way.

I had the good fortune to sit beside Miss S. Caroline Ross, who represents the Mutual Life of Canada and is a member of the company's $100,000 club. Later, I learned some other things about "Carrie" Ross, that she would have been too modest to tell me herself.

Was Formerly a Nurse

Miss Ross was formerly a nurse. That is the chief reason why she finds her prospects largely among nurses and doctors, chiefly the nurses, for in actual experience women selling life insurance find that their especial appeal is to women. Trained nurses are usually considered to be in a very advantageous position as regards income. Their work is arduous but the fees are good. Nevertheless, nurses as a rule do not look out for their future as do business women in many other lines. And as there are hardly enough wealthy neurotics to go around, nurses often find themselves without a competence at the time when their physique will no longer stand the strain of regular duty.

That is the basis of Miss Ross' work among the nurses. She takes considerable pride out of the knowledge that when she sells a life insurance policy to one of her former profession, or for that matter, to any women, she is putting in the new client's control what may be the only sizeable lump sum she will ever have. That is why Miss Ross sells endowment and twenty-pay life policies wherever possible.

Tries to Keep Policies Sold

"When I sell policies to women I do everything that will help to keep the policy sold. Whether my client is an unmarried woman or a married woman I indicate to her that she will never miss the small premium out of her housekeeping money but that the principal amount, when she gets it, will be a very important amount and all her own. By keeping them impressed with this thought, I avoid lapsed policies.

"But while I do a great deal of selling among nurses I find a field among other women. Wealthy widows are nowadays among our best prospects for life insurance protection. They require life insurance for succession duties just as much as men do."

Turned Down $10,000 a Year

Miss Ross sells insurance to men also. She is a person of keen and intense acumen and radiates the kind of impressions that breed confidence. That has been of great value to her in her work. Once a promoter tried to capitalize her personality. He offerred her—as the story was told to me by a mutual friend—a guaranteed income of $10,000 a year if she would sell stock in an oil company he was promoting. The offer was attractive but, before giving her decision, she discussed it with a lawyer friend. He looked up the company and advised against taking the offer. The promoter then revised his offer. He said that he would pay her $100 a week to work in his office. He wanted her to give a more business-like atmosphere to the place and to help win the confidence of clients coming to the office. This offer also she refused.

Miss Ross has had her ups and downs. One of her first experiences, when she started selling insurance a few years ago, was to receive a letter from a business man whom she had known asking her to call and discuss a new $20,000 policy. This helped her to win entry into her company's $100,000 club the first year she was with them. And she has had disappointments, even the experience of having $10,000 policies refused by the doctor. In one of these cases she tackled the job with such vigor that she induced the would-be policyholder to undertake treatments that later enabled him to pass the doctor and the policy went on the books and the commissions into Miss Ross' purse.

Her indefatigible spirit of energy and cheerfulness is inherited. Her father at 81 is an active medical practitioner in the little Ontario town of Clifford.

Miss Ross does not find women much different from men when buying insurance. She did tell me, though, that a woman was not a good prospect for a total disability insurance above $5,000 a year. "Women malinger more than men and it wouldn't pay the companies to write too much total disability," she confessed.

She likes insurance and the life insurance business likes her, for it has treated her with success that she has earned.

British Columbia Revises Its Insurance Legislation

British Columbia is revising its entire insurance legislation, in the interests of simplification and standardization.

About three-quarters of the bill consists of repetition of old legislation contained in the acts consolidated, but the other one-quarter consisted of new regulations. One of its chief benefits will be to relieve concerns affected from the duty of making duplicate and triplicate returns to the government. It will also relieve fire insurance companies of the necessity of making protective deposits in each province covered by their operations, after all provinces have passed similar reciprocal legislation. Reciprocal insurance exchanges will be permitted to carry on after obtaining a permit for which the fee is fixed in the bill at $100. Each contract entered into, on being reported to the government, will be subjected to the usual tax of two per cent. The 1923 legislation regulating underwriters' exchanges is repeated and made more drastic.

The bill calls for no change in regard to part-time agents, and the only important change in fees is that insurance societies and mutual companies incorporated in British Columbia are required to pay but $10.

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Sales Talks—
at Moderate Cost
THIS is the time of the year, and for the next month or so, when many firms will be having a conference with their sales organizations or arranging a convention to discuss new policies and planning for increased business during the coming year, which has every indication of much improved conditions.
Would it not be profitable to engage a new voice on the subject of Sales Promotion? In other words, have a good heart to heart sales talk on the most modern methods and further, on all the elements of successful salesmanship.
I am open for engagement at this time of the year for this special work and I think you will find it of much higher value than the moderate cost, it coming from one with 25 years' success in sales organization work. Having already several engagements, would like to know as far ahead as possible.
My regular service is that of making a thorough analysis of—
Sales Promotion and Promotion Plans
Distribution Problems
Advertising Programmes (With Valuable Slogans).
Also Supervision of Inventory taking.
My service has been thoroughly tested—has been tried out—and has proven itself.
I aim to deliver a true picture of the business from an independent and impartial viewpoint, free from any traditions or customs.
Have you an organization problem—inside or out? If I cannot solve it, it is indeed a difficult one, and I will at least bring to bear on it an experience and training that will be well worth while.
Having been Canadian Sales Manager for many years of two of the World's greatest sales organizations, I am naturally familiar with the problems of sales managers and aim to co-operate with them.
Excellent credentials available.
F. E. MUTTON
Business Economist
705 Federal Building Toronto Adelaide 8031

Current Events in Banking World

Manager May Catch These Possible Danger Signals

Personal Touch, Local Knowledge and Information From Bank Records Are Important Factors in Relations of Customer and the Bank

The importance to the bank manager of a knowledge of methods of reading and testing the financial statements of customers—particularly in view of the fact that, with large deposits and comparatively small commercial credits, the banks are now seeking sound current loans rather than additions to their funds—has previously been pointed out. There will appear on this page a series of articles in which such methods will be discussed. To this discussion managers are invited to contribute, with a view to getting the branch side of the case and making available for bankers in general experiences of the men in the field. This is a department for managers and managers-to-be; let me hear from you!

In last week's issue an article based on an address by Jackson Dodds, assistant general manager of the Bank of Montreal, to the Bankers' Lecture Club, Winnipeg, dealt with possible dangers in the balance sheet. The following article discusses the personal touch, local knowledge and information available from the branch records as factors to be employed by the manager in keeping check on the customer's affairs. Head office, says Mr. Dodds, must look to the branch manager to see the danger signals.—J. W. T.

The bank manager is the connecting link between the customer and the bank, and it is to him the executive look for warning should danger threaten.

If there is any sign of straining at liberal authorized credits: the company is trying to do more business than is justified. Overdrafts are undesirable. Some of you may have heard of a certain Western manager's determination to stop a customer from overdrawing his account. Having failed to cure him by kindly words of advice, and the customer having broken several promises made, he told his accountant to draft a letter couched in plain language, but tactful withal. The accountant in due time submitted his draft, and the manager, after reading it over carefully, handed it back to him saying: "That's all right, but tell the stenographer to correct those two typographical errors—liar is not spelt 'lyre' or thief 'theaf.'"

If there is a lack of resiliency in borrowings: as you know, banks prefer to have their advances paid or substantially reduced at least once a year, or oftener, according to the nature of the business. A simple example of this is in the grain trade. Large sums are borrowed to pay cash for wheat, and we expect it all to be sold and the bank repaid before the next harvest comes along. If this does not take place, your customer is taking the risk of carrying grain into a new season, and it is possible he may not know what he will get for it. Of course, we expect all grain to be hedged, but we do not want it kept in the country indefinitely. There is much to be said for the orderly marketing of grain, but it would be contrary to business principles to have large quantities held over from year to year.

If there is any appreciable drop in amount or quality of security: Bankers sometimes lend money against good book accounts; if, when obtaining a new list, you find a large drop in the total or see a lot of weaklings or too much of one name you would make enquiries.

If trade paper is not well met or "kites" are included in items presented for discount, especially at pay and balance day, a careful analysis of the account would be necessary. Some years ago in Vancouver a company used to draw sight drafts on pay days which were returned regularly. I recall the endorsement on one draft sent back: "Why not give someone else a turn, you have been drawing on me for the last five years."

If there is a tendency to grant too liberal credits, i.e., if you see paper offered for discount that is of a weak nature, you would put on the brakes.

If those in charge are not thoroughly competent, you would certainly have a danger signal which should not be passed up unheeded.

If cheques are issued which amount to appreciable sums for purposes outside the business, you should require full information, as it is not only a question of the reduction of capital, but of attention being diverted from the business. Anyone who scatters his efforts in this intense, concentrated age, cannot hope to succeed any more than did one Monsieur Kenard of Paris "'a public scribe, who digested accounts, explained the language of flowers and sold fried potatoes."

If owners or partners are living extravagantly, you would be placed on your guard.

If there is a tendency to speculate in merchandise: If you found a customer buying larger stocks than he actually required on the expectation that prices would go up, you would not be long in inviting him to call and discuss matters with you.

If those concerned are disposed to speculate personally or gamble or are unsteady in habits, or whose honesty is doubted in any manner, you would not be doing your duty by the bank if you did not put your foot down at once.

If relations between principals or between principals and employees are not harmonious: I recall my assistant superintendent, Mr. A. S. Hall, telling me of a case where a young lady who used to make a firm's deposits came to the bank in tears frequently and told how badly the boss treated her and other employees. Incidentally, the same young lady let him know that all was not well between the men who were controlling the business. I need hardly say that it ultimately ended disastrously, but not to the bank, thanks to the warning being heeded.

If it should be a manufacturing concern and machinery and plant are not modern, and if insufficient depreciation is allowed: I need not comment on that.

If dealing in specialties, there is a falling off in the market as, say, gramophones, or if the product is obsolete: many years ago I knew of an account in the east the prospects of which seemed favorable, but the bank subsequently found that the company was manufacturing an engine which was obsolete and which could not compete with engines for like use being put out by the Westinghouse and others. The concern went smash and their bankers took a loss.

If there should be a decided drop in the price of merchandise dealt in: this would apply particularly to accounts where the proprietors were inclined to overbuy.

If there should arise new or increasing opposition causing loss of sales or ruinous competition: some executive officers of a few banks in this city who happen to be interested in a certain kind of account will recollect that some months ago I drew their attention to two cases of this kind.

If taxes are not paid promptly: a firm must be close run for funds if it does not pay its taxes, as the penalties are often large. The tendency of recent legislation to give priority to liens for taxes of various kinds renders it necessary to check up closely the tax position of borrowers. The principal taxes to be kept in mind here in addition to municipal and school taxes, are the following:

Dominion.—Taxes under special War Revenue Act (sales tax being the chief in importance), Income Tax, Business Profits Tax and Excess Profits Tax, no longer levied, but there are 1,000 cases outstanding), Excise, under Excise (inland revenue) Act.

Provincial.—Ground Rents, Stumpage, Fire Tax (in connection with timber limits); Workmen's Compensation Assessments.

If fire and life insurance premiums are not settled promptly by paying cash: it should not be necessary to settle such things by way of note.

If there is difficulty in obtaining all necessary information where accounts are divided with other banks, the managers concerned should get together and see that it is given.

I do not say that, because you see a number of these danger signals, the bank's money is necessarily in danger; I do feel, however, that even though secured, you should be put on enquiry, especially in the present days of uncertainty — "Eternal vigilance is the price of safety."

Before sitting down, I am, by special request, going to draw attention to a manager's complaint that the young man of to-day is not as interested in his work as his brother officer was before the war. A good many of you may have seen the play "Milestones," and will realize that each generation brings forth somebody who says that things are not what they used to be. I think, however, there is something in the manager's view, and for this reason I would like to say that there never have been such opportunities for young men to rise quickly as there are to-day; the war, of course, was to a great extent responsible for this. The banks, and, in fact, many businesses, are short of the necessary material out of which to train future executive officers. There is plenty of room at the top, and to those who will accept the opportunities there are great prospects to-day.

Opportunity

By Jackson Dodds

In one of the Greek cities there stood a statue of which every trace has long since vanished, as is the case with most of these old masterpieces of genius. The inscription has been preserved, and as we read the words we can discover the lesson which those wise old Greeks meant that the statue should teach to every passer-by. It is in the form of a conversation between a traveler and the statue:

"What is thy name, O statue?"

"I am called Opportunity."

"Who made thee?"

"Lysippus."

"Why art thou standing on thy toes?"

"To show that I stay but a moment."

"Why hast wings on thy feet?"

"To show how quickly I pass by."

"But why is thy hair so long on thy forehead?"

"That men may seize me when they meet me."

"Why, then, is thy head so bald behind?"

"To show that when I have once passed I cannot be caught."

We do not see statues standing on the highways nowadays to remind us of our opportunities, but we know that they come to us.

JOSHUA DODDS.
Assistant General Manager, Bank of Montreal.

INCREASE SHOWN IN BANK DEBITS

Larger Volume of Business in October Indicated Than in September

OTTAWA.—The bank debits to individual accounts at the clearing house centres of Canada, as reported to the Dominion Bureau of Statistics were $2,869,086,000 in October as compared with $2,195,900,000 in September, representing an increase of about 30 per cent. Provided adjustment were made for seasonal tendencies according to the experience with bank clearings in the past 10 years, the October debits would show a slight gain. The debits of last month were also greater than October, 1924, a gain of more than five per cent. being shown.

The clearings in October were $1,710,200,000 as compared with $1,332,400,000 in September and $1,771,900,000 in October, 1924, indicating a gain in the short comparison of 28 per cent. and a decline in the other of 3.4 p.c.

The total debits for the first 10 months of 1925 were $22,213,800,000, as compared with $21,924,000,000 in the corresponding period of 1924.

Clearing House Centres—	Oct., 1925	Sept., 1925
	$	$
Maritime Provinces—		
Halifax	26,173,008	26,650,994
Moncton	6,708,011	6,084,556
St. John	18,027,735	16,139,912
Total	50,908,754	48,875,462
Quebec—		
Montreal	803,234,483	619,243,337
Quebec	51,626,137	48,421,625
Sherbrooke	8,983,733	8,425,754
Total	863,844,353	676,090,716
Ontario—		
Brantford	9,557,602	6,943,071
Chatham	5,972,540	5,575,890
Fort William	7,197,073	7,368,031
Hamilton	53,534,632	49,793,687
Kingston	5,663,362	5,137,906
Kitchener	9,286,799	8,125,342
London	14,930,757	20,136,892
Ottawa	146,905,397	139,786,768
Peterborough	6,225,444	6,493,489
Toronto	810,003,191	617,344,537
Windsor	33,911,211	26,760,596
Total	1,103,188,008	892,966,209
Prairie Provinces—		
Brandon	5,367,264	4,656,931
Calgary	60,586,755	44,076,848
Edmonton	84,289,797	30,052,108
Lethbridge	5,849,373	5,425,562
Medicine Hat	3,470,733	2,779,636
Moose Jaw	10,358,415	8,153,325
Prince Albert	2,035,541	1,729,625
Regina	49,919,410	48,077,136
Saskatoon	14,176,202	11,413,063
Winnipeg	494,450,396	274,842,160
Weyburn Bank	5,533,886	5,003,076
Total	681,037,772	436,209,470
British Columbia —		
New Westminster	6,425,749	6,087,362
Vancouver	132,331,687	110,973,214
Victoria	29,349,396	24,714,323
Total	168,106,832	141,774,899
Total Canada	2,867,085,719	2,195,916,756

ROYAL BANK

The Main Street, Winnipeg, branch of the Royal Bank has been closed and its business transferred to the chief office of the bank in Winnipeg, at the corner of Main and William Avenue, according to a statement made by S. L. Cork, western supervisor.

This change practically concludes the programme of re-arrangement decided on locally after the purchase of the Union Bank by the Royal, Mr. Cork stated. The purchase was finally ratified on September 1 last.

J. W. Cameron, former manager of the Main Street branch, has been attached to the supervisor's department.

Staff Gossip

Mr. Brown, the manager of the Standard Bank, has been transferred to Uxbrige.—News, Seaforth.

* * *

Mr. Roy, of the Provincial Bank, is relieving the pro-manager of the Kinkora branch.—Journal, Summerside.

* * *

Y. Baker, of the staff of the Canadian Bank of Commerce, Windsor, has been transferred to Moncton.—Journal, Windsor, N. S.

* * *

F. J. Kavanagh, who has been on the staff of the Bank of Toronto here for the past few months, has been transferred to Neidpath, Sask. Mr. Miller, of Hodgville, is a recent new arrival to the staff and is filling the position of teller.—Press, La Fleche.

* * *

J. D. Ayliffe, of the Imperial Bank, whose death occurred recently, came to Winnipeg in 1909, and a year later joined the staff of the Imperial Bank. He was among the first in Winnipeg to leave for active service when the Great War broke out, and he was in the trenches with the 27th battalion. After acquitting himself with credit to Canada and the Old Land, Mr. Ayliffe was invalided home in 1918. On recovering, he re-entered the service of the Imperial Bank.—Free Press, Winnipeg.

* * *

Archie S. Richardson, an inspector for the Royal Bank of Canada, died suddenly recently in a Montreal hospital, after having been ill frequently for the last few months.

Mr. Richardson was born in Bryson, Que. He was educated at the public schools of the district, and later attended business college at Ottawa. He was first employed in the Sparks Street branch of the Royal Bank of Canada and about eight years ago left Ottawa, and for a time was in the banking business in Cuba. About three years ago he came north and was appointed inspector for the Royal Bank for the district east of Montreal.—Citizen, Ottawa.

Twenty Tons of Stationery to Royal Branches Abroad

It is not generally known how important a part is played in our foreign trade by the shipment of equipment and supplies to branches of our large institutions in foreign fields. This week a shipment of twenty tons of stationery goes forward under the seal of the Royal Bank of Canada, to its Cuban branches. The shipment is valued at $22,000, and is less than six months' supply. The Cuban branches represent about half of this bank's foreign offices, so that the year's supply to all branches might be assumed to be worth at least $100,000. It is evident that the same business of all our institutions with foreign operations make a slight dent upon the foreign trade figures, and provide a handsome volume of business for our manufacturers.

Big Stock Farm Formerly Owned by Winnipeg Banker

WINNIPEG.—Col. H. A. Mullins, M.P.-elect for Marquette, and A. W. Maybee, a well-known buyer of cattle for United States interests, have purchased from Mrs. Duncan McArthur, the 1,000-acre stock farm located at Marquette on the Portage highway. This property was first bought by Mr. McArthur in 1883 when that gentleman was president of the Commercial Bank of Manitoba, and when he was one of the best known figures in Winnipeg business and finance. Mr. McArthur devoted his attention even in those early days to cattle raising and cattle breeding and attained considerable success. Mrs. McArthur has held the property ever since the death of her husband, and while it has not been revenue bearing it has been one of the most picturesque places on the road to Portage la Prairie.

Weekly Bank Clearings

(In comparison with the same week last year.)

Eastern Cities	December 18 1924	D'cemb'r 17 1925
Halifax	$2,784,170	$3,621,524
St. John	2,280 229	2,4[illegible]9,529
Moncton	930,903	1,007,752
Sherbrooke	766,441	793,208
Quebec	6,123,677	6,173,751
Montreal	124,346,111	107,326,067
Ottawa	6,776,835	6,981 969
Kingston	746,208	776,763
Peterborough	810,714	823,705
Toronto	114,623,295	128,174,720
Hamilton	4,977,141	4,725 248
Brantford	1,039,619	1,398,350
London	2,872,837	2,873,928
Kitchener	1,222,654	1,139,481
Windsor	2,994,693	3,582,489
Total, East	$2[illegible]7,395,527	$271,868,484

Western Cities	December 18 1924	D'cemb'r 17 1925
Fort William	$1,242,700	$1,006,205
Winnipeg	77,380,471	92,657,773
Brandon	805,343	722,493
Regina	4,490,475	6,145,741
Moose Jaw	1,820,299	1,528,915
Saskatoon	1,677,934	2,622,747
Prince Albert	362,806	479,589
Lethbridge	668,886	849,774
Calgary	8,529,033	9,998,541
Edmonton	4,586,877	5,238,612
Medicine Hat	422,239	342,684
New Westminster	607,239	708,007
Vancouver	15,221,346	16,240,780
Victoria	1,694,296	2,147,203
Total, west	$119,009,944	$140,689,064

Quebec Power Company

Notice is hereby given that a dividend of one and one-quarter (1¼%) has been declared on the Common Stock of the Company for the quarter ending December 31st, 1925, payable January 15th, 1926, to shareholders of record December 31st, 1925.

By Order of the Board.

JAMES WILSON,
Secretary.

Montreal, Dec. 21st, 1925.

TO EUROPE
On BUSINESS or PLEASURE

Travel comfortably and economically via the short route to Europe from Montreal or Halifax on the Cunard and Anchor-Donaldson highway.

The New Cabin Steamers of the Allied Lines, Aurania, Ascania, Alaunia and Letitia, were specially constructed for the Canadian Service and in this their first year of transatlantic service have created a wide circle of friends among ocean travellers.

Regular sailings are scheduled from Halifax in Winter, Montreal in Summer, to Glasgow, Liverpool, Plymouth, Cherbourg and London.

Apply to the nearest Steamship Agent or write to—

The Robert Reford Co., Limited
GENERAL AGENTS
Montreal Toronto Quebec
St. John, N.B. Halifax

CUNARD
ANCHOR-DONALDSON
CANADIAN SERVICES

QUEBEC LUMBER CAMPS ACTIVE

QUEBEC. — Though the demand for lumberjacks and bushmen has considerably fallen off in the last few weeks after an unusual number of men had gone up to the Chicoutimi and Lake St. John districts, great activity is reported in the lumber camps. It is expected that the cutting of timber this year will exceed the past ten years with the exception of one season at the close of the war. This activity is reported to reign as far as the cutting of pulpwood is concerned, but saw wood is said to provoke very little interest.

Quebec Power Company

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the Seven per cent. (7%) Cumulative Preferred Stock of the Company for the quarter ending December 31st, 1925, payable January 15th, 1926, to shareholders of record December 31st, 1925.

By Order of the Board.

JAMES WILSON,
Secretary.

Montreal, Dec. 21st, 1925.

WOODS MANUFACTURING COMPANY LIMITED

Preferred Stock Dividend Notice

The regular quarterly Dividend of One and three-quarters (1¾%) per cent. on the PREFERRED STOCK OF WOODS MANUFACTURING COMPANY LIMITED, for the quarter ending December 31st, 1925, has been declared payable January 2nd, 1926, to Shareholders of record December 26th, 1925.

By order of the Board.

JOHN T. F. KEENE,
Secretary-Treasurer.

December 16th, 1925.

Dominion Textile Company Limited

NOTICE OF DIVIDEND

A Dividend of One Dollar and Twenty-Five Cents ($1.25) per share on the Common Stock of DOMINION TEXTILE COMPANY, Limited, has been declared for the quarter ending December 31st, 1925, payable 2nd January, 1926, to shareholders of record December 15th, 1925.

By order of the Board,

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, November 25th, 1925.

Dominion Textile Company Limited

Notice of Dividend

A Dividend of One and Three-quarter per cent. (1¾%) on the Preferred Stock of Dominion Textile Company, Limited, has been declared for the quarter ending 31st December, 1925, payable January 15th, 1926, to shareholders of record 31st December, 1925.

By order of the Board.

JAS. H. WEBB,
Secretary-Treasurer.

Montreal, November 25th, 1925.

THE PEOPLES LOAN & SAVINGS CORPORATION

London, Ont.

DIVIDEND No. 61

Notice is hereby given that a dividend at the rate of five and one-half per cent. per annum has been declared on the Fully Paid-up Stock of the Corporation for the current half year ending December 31st, 1925. The Transfer Books will be closed from December 24th to December 31st, 1925, both days inclusive.

By order of the Board.

WM. SPITTAL,
Sec.-Treas.

The B. Greening Wire Company Limited

Preference Dividend No. 10

Notice is hereby given that a quarterly dividend of one and three-quarters per cent. on the Preferred Shares of the Company has been declared payable January 1, 1926, to shareholders of record December 15, 1925.

F. J. MAW,
Secretary.

Hamilton, Ont., December 15, 1925.

The Shawinigan Water & Power Company

Notice is hereby given that a dividend of two per cent. (2%) has been declared on the Common Stock of this Company for the quarter ending December 31st, 1925, payable January 11th, 1926, to shareholders of record December 24th, 1925.

By order of the Board.

JAMES WILSON,
Secretary.

Montreal, December 17th, 1925.

Abitibi Power & Paper Company Limited

Dividend Notice

Notice is hereby given that a quarterly dividend of 1¾% has been declared on the Preferred Stock of the Abitibi Power & Paper Company, Limited, payable the 2nd day of January, 1926, to shareholders of record at the close of business the 20th day of December, 1925.

By Order of the Board,

W. H. SMITH,
Secretary-Treasurer.

The Canadian Bank of Commerce

THE Annual Meeting of the Shareholders of this Bank for the election of Directors, and for other business, will be held at its banking house, Nos. 23 to 25 King Street West, Toronto, on Tuesday, the 12th day of January next. The chair will be taken at 12 o'clock noon.

By order of the Board,

JOHN AIRD,
General Manager.

Toronto,
November 27th, 1925.

The Dominion Bank

Notice is hereby given that a Dividend of three per cent. upon the paid-up Capital Stock of this Institution has been declared for the Quarter ending 31st December, 1925, and, in addition, a Bonus of one per cent., making a total distribution of thirteen per cent. for the current year. The Dividend and Bonus will be payable at the Head Office of the Bank and its Branches on and after Saturday, the 2nd day of January, 1926, to Shareholders of record of 19th December, 1925.

The Annual General Meeting of the Shareholders will be held at the Head Office of the Bank, in Toronto, on Wednesday, the 27th January, 1926, at twelve o'clock noon.

By Order of the Board.

C. A. BOGERT,
General Manager.

Toronto, 20th November, 1925.

The Toronto General Trusts Corporation

Dividend No. 118

Notice is hereby given that a dividend of three per cent. (3%) has been declared upon the paid-up capital stock of this Corporation for the quarter ending December 31st, 1925, being at the rate of

Twelve Per Cent. Per Annum

and that the same will be payable on and after Saturday, the Second Day of January, 1926. The transfer books of the Corporation will be closed from Thursday, the 17th day of December, until Thursday, the 31st day of December, both days inclusive.

By order of the Board of Directors.

W. G. WATSON,
General Manager.

Toronto, December 1st, 1925.

The Consolidated Mining and Smelting Company of Canada, Limited

DIVIDEND No. 43

Notice is hereby given that a Dividend of Three Per Cent. (3%) on the paid-up Capital Stock of the Company for the six months ending December 31st, 1925, and a bonus of Five Dollars per share has this day been declared, payable on the 15th January, 1926, to shareholders of record at the close of business on the 31st December, 1925.

By Order of the Board.

J. E. RILEY,
Secretary.

Montreal, December 15th, 1925.

THE Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a Dividend of Two and one-half per cent., being at the rate of Ten per cent. per annum, upon the paid-up Capital Stock of this Company, has been declared for the current quarter, together with a bonus for the year of One per cent., both payable on 1st January, 1926, to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,

WALTER GILLESPIE,
Manager.

INTERNATIONAL PAPER COMPANY

New York, November 25th, 1925.

The Board of Directors have declared a regular quarterly dividend of one and three-quarters per cent. (1¾%) on the Cumulative 7% Preferred Stock of this Company, and a regular quarterly dividend of one and one-half per cent. (1½%) on the Cumulative 6% Preferred Stock of this Company, for the current quarter, payable January 15th, 1926, to holders of record at the close of business January 2nd, 1926. Checks will be mailed. Transfer books will not close.

OWEN SHEPHERD,
Treasurer.

THE MONTREAL CITY & DISTRICT SAVINGS BANK.

Notice is hereby given that a Dividend of two dollars and fifty cents per share has been declared on the Capital Stock, called and paid up, of this Bank and will be payable at its Head Office, in this City, on and after Saturday, January second next, to shareholders of record Tuesday, December fifteenth next, at three o'clock p.m.

By order of the Board,

A. P. LESPERANCE,
General Manager.

Montreal, November 24th, 1925.

British Empire Steel Corporation, Limited

REPORT OF BOARD OF DIRECTORS

The Annual Meeting of the Board of Directors of the British Empire Steel Corporation was held at the Head Office. Mr. Roy M. Wolvin, the President, reviewed the results of the year.

In his address to the shareholders, Mr. Wolvin said in part:

"The year 1924 was very unsatisfactory in the volume of production. The British Empire Steel Corporation during that year produced 2,979,039 gross tons of coal in the Dominion Coal Company's properties in Cape Breton, 593,540 gross tons of coal in the Nova Scotia Steel and Coal Company's properties in Cape Breton, 386,759 gross tons in the Acadia Coal Company's properties in Pictou County, Nova Scotia, and 438,147 gross tons of coal in the Cumberland Railway & Coal Company's properties in Cumberland County, Nova Scotia, making a total of 4,397,485 gross tons. The Dominion Iron & Steel Company at Sydney, Nova Scotia, produced 246,072 net tons of coke, 177,033 tons of pig iron, 185,417 tons of steel ingots, 74,327 tons of rails, 68,454 tons of other finished products. There was produced in the Nova Scotia Steel & Coal Company's steel plant at Trenton 43,077 tons of steel products. The iron ore properties at Bell Island, Newfoundland, produced 655,118 gross tons of iron ore. The Eastern Car Company at Trenton, Nova Scotia, built 1,576 railroad cars, snow plows, and did some additional repair work. The Halifax Shipyards did not have any ship construction work during the year, but were able to secure sufficient repair work to earn a small profit and at the same time keep together its organization.

"Prices quoted in Canada during 1924 on steel products from European countries where the wages are paid in depreciated currency had a serious effect upon your corporation's earnings. While the amount of imports in tonnage is not very great, it forced the sale of the Canadian-made article at cost or less than cost in order to give employment at steel plants and keep the working organizations together. Railroad buying was in small volume due to the low earnings of the railways and these reduced purchases materially affected the results of the operations of your company.

Maintenance of Properties.

"During the year 1924 your properties were maintained in their usual good condition and I would like to say that at the present time the coal properties of this corporation are in better condition than at any previous time in their history. I believe that the production since the resumption of coal mining August last quite clearly shows the condition of the properties and the improvement in our working organizations.

Labor Conditions.

"There was a cessation of coal production from January 16, 1924, to February 11, 1924, due to failure of the coal mining companies to arrive at an agreement with the United Mine Workers of America. The loss sustained by the corporation due to the closing down of its properties in Cape Breton was not so great, but considerable loss was experienced through the closing down of the properties of the Acadia Coal Company and Cumberland Railway and Coal Company on the mainland of Nova Scotia. Greater loss, however, would have been experienced immediately following this period had the Company not entered into a new wage agreement. Unfortunately the United Mine Workers of America forced the companies to pay wages during the year 1924, which were about seven per cent. higher than those in effect during the previous year. It may be interesting to know that the cost of living in our coal mining districts at the present time is practically the same as the cost of living in those districts in the year 1917, but that the rates of wages in effect to-day in these districts are approximately 42 per cent. higher than the rate of wages in these same mines in the year 1917. There was no labor trouble in any of the corporation's other operations and the employes' representation plan that has been developed in the various steel plants has established very satisfactory relations between the management and the employes.

Customs Tariff and Treaties.

"At the annual meeting of March 27, 1924, I called your attention to many existing conditions under the present Canadian tariff and treaties that made difficult the successful operation of your industries. I do not want to take the time to review these but it is now more important than ever that some readjustment of the iron and steel schedules in the tariffs should be made. Action must be taken by the Dominion Government in the very near future to stop the dumping in Canada of the products of European countries in which wages are paid in depreciated currency. The existing specific duties on steel products must be adjusted to a fairer and more uniform ad valorem customs basis.

"Since the end of the year under review at this meeting, the Government of Canada has increased the Customs duty on bituminous slack coal imported into Canada and the duty on such coal imported from the United States to-day is 50 cents per ton. This will carry some benefit to the industry and is appreciated. Unfortunately, the Government at the same time made a reduction in the customs duty on round coal from 53c per net ton to 50c per net ton, which to some extent offsets the benefit to be received through the increase of the duty on slack coal.

"Immediate legislation should impose a proper duty on foreign produced anthracite screenings when used for steam purposes.

An All Canadian Fuel.

"The Dominion Government has been investigating the possibility of supplying the central portions of Canada with an all Canadian domestic fuel. The anthracite coal industry in the United States has experienced many strikes, and when by reason of strikes the production of anthracite ceases it causes the people who live in these Northern latitudes much concern about fuel for the heating of their homes. The strike that has been in effect in the anthracite mines in the United States since the first of September has brought this matter to the very serious attention of our people. Towards the close of the last session of Parliament, the Government introduced in the House of Commons a resolution to enable the Government of Canada to provide means to secure the building of by-product coke plants which would use Canadian bituminous coal for the production of a satisfactory household fuel. Rt. Hon. Mackenzie King and his party have committed themselves to the development of a national fuel supply, and Mr. Meighen, the leader of the Opposition, speaking at New Glasgow during the recent election campaign, pledged his party to the support of some measure looking forward to the same result. I am inclined to think that as all agreed on this matter some legislation will be enacted in the near future that I can only hope that Parliament in its wisdom will make its enactments so effective that they will actually produce coke ovens which will use Nova Scotia coal, and will furnish an economic household fuel. The inducement provided must be sufficient to attract the necessary capital or the legislation will remain inactive.

Year 1925.

"The meeting we are holding to-day would ordinarily have been held much earlier in the year. On March 6 the U. M. W. ordered the miners then at work in our mines to cease production and also ordered all the maintenance men to leave the properties. The mining of coal was resumed on August 10 on a wage scale unsatisfactory to your officials, but agreed to at the urgent request of the Premier of the Province of Nova Scotia and upon the representation that it was absolutely necessary for the welfare of the province at large. When mining was resumed on the understanding that the Government of Nova Scotia would appoint a Royal Commission to make a thorough investigation into the steel and coal industry of Nova Scotia, it was thought inadvisable to call the shareholders together while this strike was under way. The calling of the annual meeting was further delayed in the hope that the commission would be formed immediately and that the report might be available for submission to the shareholders. Unfortunately the appointment of the commission was delayed, and the Royal Commission, which has now been sitting for seven weeks, has not yet finished its investigation, and its report will not be available for some little time. It has, however, been necessary to call this meeting before receiving the Commission's report, in order to meet the legal requirements of the articles of the company.

"You may have seen in the press a report that the firm of Coverdale & Colpitts is making an investigation of your corporation's affairs, and I wish you to know their investigation will include a thorough study of the affairs of all the constituent companies and their relations one to the other, and that their report is intended for the guidance of your directors.

Showed a Loss.

"The results of the operations of the corporation from January 1, 1925, until the resumption of coal mining in August have, of course, resulted in a serious loss. Since the resumption of mining, however, the properties of the Dominion Coal Company and Nova Scotia Steel & Coal Company in Cape Breton have been working to practically maximum capacity and the coal properties in Pictou and Cumberland counties are now working to full capacity in supplying the winter demand on the mainland of Nova Scotia. The steel plant resumed full operations about the first of October, and it is hoped that operations can be carried on through the winter.

"We are xpecting that the report of the commission will be available to our employes and officials early in January and that negotiations will immediately be entered into for a new contract covering wage scale and working conditions in Nova Scotia mines. We are hopeful of arriving at an agreement by negotiation. I can assure you that it is the earnest desire and ambition of every official of this company to make such an agreement without the use of force by either side.

"The next fiscal year of your corporation ends December 31, 1925, and the audited accounts for that period should be available in February or March. It is the intention of the directors to hold the next meeting of shareholders in the early part of the year 1926 at which time I hope that we can bring to you a report of some satisfactory agreement between the companies and their employes in the coal mines and thus permit you to give clearer consideration to the future of your great properties.

"I also desire at this time to express my sincere appreciation of the loyalty and service rendered by the officials of the several Companies and by the various heads of departments, and most particularly by those employes who stood faithfully by this Corporation and its shareholders during the trying days from March 6 until August 10, during which time the United Mine Workers of America ... violation of their contract, refused to allow their members to perform the duties of maintaining the mines in proper condition by pumping and ventilating and otherwise saving them from damage or destruction."

The annual report was unanimously adopted and the board of directors was re-elected without change for the ensuing year. At a subsequent meeting of the directors, R. M. Wolvin was re-elected president; Sir Newton J. Moore, vice-president; J. E. McClurg, vice-president in charge of operations, and C. S. Cameron, secretary-treasurer.

TRADE RELATIONS OF THE AMERICAS BEING FOSTERED

Finance and Commerce Help Weld Whole Continent Into Unit

BANKING A FACTOR

Free Capital From United States Flows Into Natural Resources of Countries of the Continent

By GEO. WILSON,
Vice-president, Toronto Board of Trade at Pan-American Commercial Congress, New York.

Some facts and figures bearing upon the present economic position and trade prospects of Canada may be of general interest, more particularly to the delegates from the Latin American countries who naturally may not be as familiar with the subject as our next door neighbors. The following statistics of our foreign trade show a healthy development during the past decade, viz:

Canadian Foreign Trade
(Fiscal years to March—In millions)

	1914	1923	1924	1925
Exports	455.4	945.3	1,058.8	1,081.3
Imports	619.2	802.6	893.4	796.9
Total	1,074.6	1,747.9	1,952.2	1,878.2
Favorable Balance		142.7	165.4	284.4

and the latest official reports indicate that for the current fiscal year (to March, 1926) will exceed $2,000,000,000, and that our favorable balance will be in excess of $300,000,000.

In both our import and export trade the United States stands in first place, with the United Kingdom a good second, as the following table shows:

Imports and Exports
United States
(Millions)

Canadian	1914	1923	1924	1925
Exports	177.0	380.3	441.6	427.2
Imports	396.3	541.0	601.2	510.0
Total	573.3	921.3	1,042.8	937.2
Unfavorable balance	219.3	160.7	159.6	82.8

Our principal exports (1925) to the United States were agricultural $42,000,000; animals and products $58,000,000; forest products $220,000,000—which includes $90,000,000 newsprint—88 per cent. of the United States requirements being supplied by Canada. Non-ferrous metals totalled $57,000,000, including $30,000,000 gold, $6,750,000 silver and $12,000,000 copper. Our principal imports (1925) from the United States are agricultural $77,000,000; animals and products $29,000,000; cotton fibre and textiles $64,000,000; iron, iron ore and steel $113,000,000; coal, etc., $112.000,000.

Exports and Imports—United Kingdom
(Millions)

Canadian	1914	1923	1924	1925
Exports	222.3	379.9	361.2	397.2
Imports	132.1	141.3	153.6	151.1
Total	354.4	521.2	514.8	548.3
Favorable balance	90.2	238.6	207.6	246.1

Our principal exports to the United Kingdom (1925) were: Wheat, flour, etc., $265,000,000; animals and products $80,000,000; forest products $16,000,000; non-ferrous metals $17,000,000. Our chief imports are: Textiles and fibres $72,000,000; agricultural $28,000,000; iron, steel, etc., $18,000,000.

U. S. Investments in Canada

Since the outbreak of the Great War in 1914 the regular flow of capital from Great Britain to Canada practically ceased, but we found a willing source of supply in the United States. Sales of Canadian government and municipal bonds, etc., have risen from $75,000,000 in 1914 to $225,000,000 in 1924, and it is expected that the total this year will approximate $300,000,000. There are 700 American plants in Canada, and it has been estimated that American investments in Canada now total $2,500,000,000, compared with a total of British investments of $2,250,000,000. This demonstrates very clearly the faith of this great country in the economic soundness, potentialities and prospective development of Canada. Great as is the stake of the U. S. A. in Canada at the present time, I hope that still further generous supplies of this country's surplus capital will regularly find an abiding place in Canada.

Further evidence of your good opinion of things Canadian is attested by the fact that our people are exempted from the quota provisions of your immigration laws. I may say, however, that we Canadians regard this somewhat as a left-handed compliment, as we are not altogether happy in the knowledge that so many of our promising young men migrate to this country. We would prefer to keep them at home.

I may say quite frankly that we are not at all enamored with your tariff policy, which has been described as high as Haaman's Gallows, averaging as it does 45 per cent. compared with the average Canadian tariff of 17 per cent. Wheat farming and cattle raising—our basic industries—are hit particularly hard by your Fordney-McCumber tariff, and I think I can summarize Canadian sentiment upon your immigration and tariff laws by saying that we would much prefer bars against our population than against our products.

I am sure, Sir, you will agree that a frank and honest discussion of such matters is in consonance with the spirit and policy of this congress, the idea of which is the promotion of trade, mutual understanding and good-will among the nations comprising Pan-America.

Canada's Trade With the Latin Americas

Our trade with the Latin Americas shows steady expansion, but is not nearly so heavy as we should like it to be. The following statistics will possibly interest many of the delegates present:

Canadian Trade With Cuba, Central and South America
(In thousands)

	1925 Exports	Imports	Total
Argentina	10,322.3	6,262.7	16,585.0
Brazil	3,417.2	1,818.2	5,235.4
Cuba	7,142.4	7,798.1	14,940.5
Mexico	2,856.4	2,550.8	5,407.2
	23,738.3	18,429.8	42,168.1

Modest as these figures are, I may say that Canada's total foreign trade with (1) Bermuda, British West Indies and Guiana aggregates $36,900,000, and with (2) Australia, New Zealand and British South Africa $40,303,000, so that you will observe that our trade, at the present time, with the Latin American Countries exceeds either of these groups.

Canadian Banking System Abroad

The same spirit of adventure and enterprise which impelled our British forebears to extend their trade and commerce over the Seven Seas inspired Canadian bankers in the establishment of our banking system far afield—especially in the sub-tropical and tropical regions of this hemisphere. No less than 150 branches of Canadian banks are operated in Cuba, Porto Rico, Central and South America, and the British West Indies, and judging by the steadily increasing number of branches in these fields the venture has proven profitable and satisfactory. To the courage and enterprise of Canadian bankers can be largely ascribed the development of Latin American trade with Canada and our banking system will undoubtedly prove a strong factor in the future much-to-be-hoped-for expansion of business relations with those countries.

The Foreign Exchanges

Conducted by S. J. ZACKS.

Trading in foreign exchange was rather quiet and steady. The fluctuations of the franc still continue to overshadow all others. With the resignation of M. Lochueur, the franc reached a low. Then, when the proposal of the northern Industrialists came out, there was a sharp recovery. The unfavorable comment of the French press, and the skepticism of French bankers with regard the advisability of a ten billion franc loan in America, it is claimed, is responsible for the selling of French exchange in London on Monday and the consequent nine point decline. Speculative forces in the market have also been much in evidence.

It is generally agreed that serious steps toward stabilization of the franc are absolutely necessary now. A point has been reached in France where commerce can no longer profit from the lowering of currency rates. Resources available for the purchase of raw materials abroad are not plentiful, and in order that industries shall work at capacity, imports must be made at heavy prices. Since last August the French balance of trade has been unfavorable, although the balance for the year will likely be a favorable one. It appears, however, that the gold value of imports are gaining on exports and any advantages which could have been seen from a depreciated currency are fast disappearing.

That the decline of the franc has had an adverse effect on the foreign trade and the exchanges of other Europeans is admitted. French prices have been slow to follow the exchange movements and France has been able to undersell German steel manufacturers as well as the manufacturers in England, Belgium and Italy. In the meantime, commodity resources of French foreign buyers are being depleted, which bankers claim will be severely felt when French stabilization starts.

Sterling was firm during the week, easing off on Monday and Tuesday. The reserves of the Bank of England were further strengthened by the purchase of South African supplies on the open market. New York exchange remains well above the export point and with the Dutch demand satisfied for the time being, the likelihood of further bullion withdrawals is improbable.

The premium on New York funds was slightly higher for the week, closing at 3-32 per cent. on Tuesday, as opposed to 1-32 per cent. on Dec. 16. It may be that 6 per cent. call rate in New York has attracted funds of Canadian bankers, causing the premium to go up. The rallies in the Scandinavians attracted some attention, while the decline of the Japanese yen caused considerable surprise.

NEW YORK FUNDS

	xHigh	Low	Last year High	Last year Low
Dec. 17	1-32	1-32	9-16	3-8
Dec. 18	3-64	1-32	13-32	3-8
Dec. 19	3-64	3-64	1-2	7-16
Dec. 21	5-64	1-16	7-16	3-8
Dec. 22	3-32	1-16	3-8	3-8

xPremium.

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Dec. 17	4.84¾	3.61¾	4.03¾
Dec. 18	4.84 13/16	3.82¼	4.03¾
Dec. 19	4.84¾	3.81	4.03¾
Dec. 21	4.84¾	3.72¼	4.04¾
Dec. 22	4.84⅝	3.65	4.03½

OTHER EXCHANGES

Par		Close Dec. 16	Close Dec. 22
19.30	Italian	4.03½	4.04
23.82	German	23.82	23.84
32.45	Brazilian	14.20	14.31
19.30	Belgium	4.53½	4.53¾
49.85	Japan	43.81	43.19

PROSPERITY IN QUEBEC

QUEBEC.—With two excellent crops the farmers of the province of Quebec are now enjoying a prosperity equal to that of the best pre-war period, according to the provincial minister of agriculture. "I consider now that the condition of the farmers has improved to such an extent that they are in a better and more staple situation than they have been for years," he stated. He added that he believed the exodus was over for good and that conditions would be a powerful factor in keeping those on the farm attached to the soil.

BANQUE CANADIENNE NATIONALE

51st Annual Statement

PROFIT AND LOSS ACCOUNT

30th NOVEMBER, 1925

CREDIT

Balance at Credit of Profit and Loss Account, 29th November, 1924		$247,991.63	
Net profits for the year ending 30th November, 1925, after deducting expenses of management, interest accrued on deposits, rebate of interest on discounts, and making full provision for all bad and doubtful debts		822,026.92	$1,070,018.55

DEBIT

Dividend No. 136, paid 1st March, 1925	$137,500.00		
Dividend No. 137, paid 1st June, 1925	137,500.00		
Dividend No. 138, paid 1st September, 1925	137,500.00		
Dividend No. 139, payable 1st December, 1925	137,500.00	$550,000.00	
Pension Fund		30,000.00	
Provision for Dominion Government Taxes		100,000.00	
Provision for payment to the Treasurer of the Province of Quebec under Statute 14, Geo. V, Ch. 3		125,000.00	
Balance at credit of Profit and Loss Account 30th November, 1925		265,018.55	$1,070,018.55

A. COURTOIS, Chief Accountant.
BEAUDRY LEMAN, General Manager.
J. A. VAILLANCOURT, President.

BALANCE SHEET

30th NOVEMBER, 1925

LIABILITIES

Notes of the Bank in circulation		$ 12,541,594.00
Deposits not bearing interest	$18,881,699.79	
Deposits bearing interest (including interest accrued to date of statement)	87,113,501.46	105,995,201.25
Balances due to Banks in Canada	590.43	
Balances due to Banks and Banking Correspondents in the United Kingdom and Foreign Countries	697,663.69	
Letters of Credit outstanding	843,087.84	1,541,341.96
		$120,078,137.21
Capital Stock paid in	$ 5,500,000.00	
Reserve Fund	5,500,000.00	
Dividends declared and unpaid	3,033.35	
Dividend payable 1st December, 1925	137,500.00	
Balance of Profit and Loss account (after deducting payments to the Treasurer of the Province of Quebec under Statute 14, Geo. V, Ch. 3)	265,018.55	11,405,551.90
		$131,483,689.11

ASSETS

Gold and current coin	$ 912,050.62	
Dominion Notes	7,607,618.00	
United States and other foreign currencies	143,757.41	$8,663,426.03
Notes of other Banks	1,082,450.00	
Cheques on other Banks	5,880,240.23	
Balances due by Banks in Canada	690,956.38	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	1,218,473.71	
Deposit in the Central Gold Reserves	7,200,000.00	
Deposit with the Minister of Finance for the purpose of Circulation Fund	283,419.25	16,355,539.57
		$ 25,018,965.60
Dominion and Provincial Government Securities, including demand loans, not exceeding market value	$21,490,640.27	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value	7,354,583.66	
Railway and other Bonds, Debentures and Stocks, not exceeding market value	959,809.98	29,805,033.91
Loans to cities, towns, municipalities and school corporations		1,561,503.33
Call and short (not exceeding thirty days) loans in Canada on Bonds, Debentures, Stocks and other securities of a sufficient marketable value to cover		7,245,824.29
		$ 63,631,327.13
Other current loans and discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts		58,316,131.36
Other current loans and discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts		580,212.70
Liabilities of customers under Letters of Credit as per contra		843,087.84
Mortgages on Real Estate sold by the Bank		802,289.82
Real Estate other than Bank Premises		1,406,899.05
Non-current loans (estimated loss provided for)		185,428.40
Bank premises at not more than cost, (less amounts written off)		5,504,941.52
Other assets not included in the foregoing		213,371.29
		$131,483,689.11

A. COURTOIS, Chief Accountant.
BEAUDRY LEMAN, General Manager.
J. A. VAILLANCOURT, President.

Note:—The assets and liabilities of Banque Canadienne Nationale (France), same being considered a branch operating as a subsidiary of Banque Canadienne Nationale, are included in above Balance Sheet.

AUDITORS' CERTIFICATE

We beg to report to the Shareholders of Banque Canadienne Nationale that we have checked the cash and verified the securities of the Bank at the Chief Office as at 30th November 1925, as well as at another time during the year, and found they agreed with the entries in the books in regard thereto.

We have examined the books and accounts at Head Office and have compared the above Balance Sheet with these books and with the certified returns from the branches. In our opinion, the Balance Sheet is properly drawn up so as to disclose the true condition of the Bank as at 30th November, 1925, according to the best of our information and the explanations given us, and is as shown by the Books of the Bank.

We have obtained all the information and explanations required by us and in our opinion, the transactions of the Bank which have come under our notice, have been within the powers of the Bank.

Montreal, 19th December, 1925.

W. GARTH THOMSON, C.A.,
of Marwick Mitchell & Company.

EUG. TRUDEL, C.A.,
of LaRue & Trudel.

Auditors.

Featuring Textile Industries

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Special Section 17-24 PUBLICATION OFFICE: TORONTO, DECEMBER 25, 1925 Special Section 17-24

Canadian Cotton Textile Record is One of Remarkable Achievement

Year 1925 Opened Well for Mills But Production Dropped in Summer — Business Again Revives — Cotton Textile Companies Are in Strong Financial Position

AT THE beginning of 1925 the price of raw cotton dropped, and the consequent reduction in price of the finished product brought some nice orders for the mills. At the beginning of this year, in fact for the first four months, operations were on full time, but, during the summer, most of the mills operated at about 50 per cent. capacity. However, again this autumn business has picked up and the mills are once more operating at around 90 per cent. capacity.

Up to the beginning of 1925 the industry was handicapped, due to the high and fluctuating prices of its raw material. For three successive years the American cotton crops had been short. This resulted in the higher prices and made it necessary to sell cotton textiles on a small margin.

During the present year the visible supply of raw cotton has been larger, and the raw products have not been subject to so many or to so wide fluctuations.

Another factor which has unfavorably affected the Canadian cotton textile companies has been the fact that the British spinners and weavers have also been having a thin time, with the result that they have been searching out new markets and placing their goods in Canada at very low prices. Many of Great Britain's old textile markets have been cut off, particularly India, which has commenced to do its own spinning and weaving under tariff protection. Of the hundred and fifty-six million spindles throughout the world, Great Britain has over fifty-six million; from this it will be seen how necessary it is for the Lancashire weavers to obtain markets, and, in doing so, what the results are as far as the Canadian textile industry is concerned.

Imports Constantly Increase

The cotton industry in Canada with its 55 milles has had during the past three years the keenest competition of foreign manufacturers.

Investors in regarding the figures of cotton imports will see the results of the increased foreign competition which are given below together with the imports of raw cottons for the past fourteen years:

Canada's Raw and Manufactured Cotton Imports

Raw Cotton From U.S.

Fiscal year	Lbs.	Value	Cents Per lb.
1910	67,905,411	$9,361,021	13.8
1914	76,993,026	9,752,437	12.7
1918	88,012,230	20,746,849	23.6
1922	94,961,143	16,207,537	17.
1924	95,155,757	28,332,723	29.8

Manufactured Cottons From:

	U.K.	U.S.	Elsewhere
1910	$13,004,667	$3,331,933	$2,014,154
1914	17,117,511	7,540,936	2,529,486
1918	16,138,441	20,009,655	1,364,506
1922	14,016,757	19,043,915	3,058,315
1924	19,210,853	15,838,965	3,045,758

The cotton textile companies in this country are happy in their management, for they are practically, one and all, in exceptionally strong financial shape, and are well equipped to seize any trade possibilities when offered.

An Efficient Industry

In many ways Canadian cotton textile plants are superior to those in the United States. Plants in this country employ up-to-date equipment and are efficient not only as units, but from the point of view of specializing in individual products.

Sometimes the complaint is made that cotton goods are sold to the consumer at excessive prices in Canada. There is little doubt that compared with the price which the manufacturer obtains, the amount the ultimate consumer pays is high. However, this complaint is made in all other countries, and may possibly account for the drastic decrease in the consumption of cotton goods which has taken place throughout the world. There is no reason, however, to believe that the middle man in Canada makes an excessive profit on his cotton textiles.

At the end of last year raw cotton sold at 10 cents per pound; this resulted in a lower price for the goods and was no doubt responsible for the improved demand at the beginning of 1925.

Reasons for High Price

There are many reasons why the prices to the consumer in Canada are bound to be fairly high. Some of the contributing factors to this result are the sales tax, heavy income taxes, transportation charges and general cost of distribution, both wholesale and retail, in sparsely inhabited countries, such as Canada; it is obvious that merchandising costs must be high; one contributing factor to this is, of course, the long rail hauls.

One of the remedies for these high costs lies in increased immigration, but in the meantime it seems fair to assume prices are reasonable, especially when it is well known that neither wholesaler, retailer, nor manufacturer, is making excessive profits. In fact, the reverse is the case.

Figures Disprove Attacks

There have been occasional attacks made on the cotton textile industry indicating that the companies in this group were piling up excessive profits due to taking full advantage of the tariff. Such statements are utterly at variance with the figures seen in the campanies' profit and loss statements. Earnings which the cotton textile companies are able to make have in a large measure been due to their capable managements, which have built up financial structures strong enough to take advantage of even the less favorable "trade winds."

Since pre-war days there has been no increase in protective duties in Canada whatsoever; on the contrary, such changes as have occurred have been in a downward direction, and have re-acted most unfavorably as far as actual production of textile goods from our own Canadian mills is concerned. In addition to lower tariffs this industry has had to bear increased sales taxes, income taxes, excise and stamp duties, and, if an explanation of cost of some commodities be needed, it would be bound to lie in heavy taxation arising through the war, and through unwise government expenditure since that time.

It has been said that the cotton textile companies made large profits in the past, but any unbiased observer will remember that in the great boom period before the war almost every individual and corporation made money. The only difference between the cotton textile companies and some of the other industrials in this respect is that the former group had sufficient forethought to plough back earnings into their financial structures whilst business was good—whereas there are a number of industries which missed this opportunity.

The Companies' Securities

As regards the securities of cotton companies in Canada, it is interesting to look first at the aggregate amounts invested in industry in this country as a whole. Immense sums of capital have been required to finance the rapid development of the Canadian industry. The aggregate investment in manufacturing in 1900 was approximately $450,000,000. In the twenty-year period this grew to the enormous total of $3,400,000,000. In the same period the value of the products grew from $481,000,000 to $4,019,000,000. It is interesting to note that the value of these products now exceeds the total annual production from agriculture. Of the total securities of Canadian manufacturing industries outstanding 64.8 per cent. are held in Canada; 24.4 per cent. in the United States, 9.6 per cent. in Great Britain, and 1.2 per cent. in other countries. The proportion of the cotton industrial securities held in Canada is, however, much above the average. The figures are about as follows:

Canada	85.6 per cent.
United States ...	9.5 per cent.
Great Britain ...	.8 per cent.
Other countries ..	4.1 per cent.
And unknown.	

Reasons for Growth

Prior to the war the Canadian industry was a comparatively small one, its production being sufficient only to take care of very small proportions of the domestic requirements of the country. Since that time many millions of capital have been invested in new plants and machinery; new processes have been acquired and applied; aggressive steps have been taken to popularize the products of the mills and afford them a wider distribution throughout the country. The years of the war, during which time the industry was expanding, were occupied almost entirely in supplying home consumption and the government, whilst the United States mills were similarly working to capacity on domestic and on war orders. It was during these years that Canadian cotton company executives were able to bend their efforts to expansion. They did this with considerable resource, and the results fully justified their enterprise. The Canadian mills also shared extensively in orders for the British and allied governments, and this business was productive of profits which greatly strengthened the fiancial physical position of the industry as a whole.

During that time it was felt by the leaders of the industry that while in the future a great proportion of the Canadian markets should be taken care of, it was not reasonable to suppose the competition from other countries would be eliminated.

Up to the present time it is believed that the Canadian cotton manufacturing industry has held a fair share of the domestic market, but it is also felt that the present dullness is but a reflex of a world-wide condition which is also being felt much more severely by the larger American industry, and, to a great extent, by the British and European industry. It is chiefly for this reason that overseas competition is both feared and being felt, and which has resulted in the lowered prices through dumping of foreign goods.

A favorable factor with regard to

(Continued on page 21)

THE NEED FOR PROTECTION

One ounce of gold pays the average wage for 20 hours' work in the United States, and the same amount pays for 50 hours' work in Great Britain, 90 hours' work in Japan, 100 hours' work in France and 200 hours' work in Germany.

This is but one of the handicaps under which the textile industry in Canada operates.

THE TARIFF HAS LITTLE EFFECT ON WOOLLEN PRICES

Any Increased Cost to the Consumer is Only Fractional

NEED FOR PROTECTION

Some criticism has been leveled at the woollen trade from those who believe that this industry's protective tariff has a large influence in raising prices to the working man. It is of interest, therefore, to look into these charges and to ascertain whether they be true.

The following figures indicate the component cost of a suit of farmer's or workingman's heavy suits sold at retail for $20. They indicate also that the protection afforded the woollen industry in Canada plays only a minor part in the cost to the consumer. Here are the figures:

Canadian wool	$4.10
Cloth mill, wages, overhead, soap, dyestuffs, oils, freight and profit......	2.76
Buttons, trimming, etc.	1.25
Clothing mfgr. wages, overhead, profit..	4.89
Government sales tax	.65
Retailer, wages, overhead, profit.........	6.35
	$20.00

The amount of greasy wool, that is, as it comes from the back of the sheep, to make the 3½ yards of cloth weighing 7¼ lbs., is 17½ lbs., for which the farmer received 24c. a lb. in the grease, or $4.10, so that the 7¼ lbs. of wool in the cloth cost the mill 56½c. per lb. without processing charges.

From these figures it will be seen that out of a total expenditure of $20, only $2.76 goes to the manufacturer to pay for freight, sorting, scouring, dyeing, carding, spinning, weaving, fulling, finishing, overhead and selling. In other words, the tariff on woollens is really only a matter of a few cents in the cost of the finished product. Raising the tariff, especially the British tariff, would possibly increase these costs by a few cents, but, on the other hand, it would not only help the many woollen mills scattered throughout Canada, but it would also prove of very material assistance in building up a more prosperous sheep industry, which since 1900 has been languishing.

Record of the Textile Stocks

	Div. Rate	Yield Dec. 19	Range 1923 High	Range 1923 Low	Range 1924 High	Range 1924 Low	Range 1925 High	Range 1925 Low	Price Dec. 19 (or last)
Can. Conn. Cotton, pref....	1	...	86¼	80	85¼	39	51⅛	39	48¼
Can. Converters	7	7.40	103	79	90	70	94½	80	94½
Can. Cottons, com.	8	6.72	137	98	110	85½	124½	106	119
Do., pref.	6	6.28	98	90½	91	86½	96½	90	95½
Can. Woollens, com.	..	...	24	6	7⅛	4	15	5½	12
Do., pref.	..	...	65	36	42½	33	61	40	55
Dom. Textile, com.	5	5.55	72½	61½	67¼	53¾	95½	66	90
Do., pref.	7	5.88	112	106¼	110	104¼	119	111	119
Monarch Knit, com.	..	...	40	27½	25	25	45	30	45
Do., pref.	..	...	82½	70	82	65	80	45	50
Montreal Cottons, com.	6	5.85	114	100	100	89½	105	95	102½
Do., pref.	7	6.25	109	104½	107¼	104	117½	109	112
Penmans, com.	8	4.39	165½	123	164½	134½	185	144	182
Do., pref.	6	5.71	99¼	92	101	92	105⅜	99	105
Wabasso Cotton	4	6.06	81⅛	65	72	47	66½	55¼	66

Rayon Starting to Play More Predominant Part in Industry

Little Brother of Silk Suddenly Grows in Stature and is Now Head of the Family — The Resulting Effect on the Textile Industry

TEXTILE production, due to the age of the industry, has become set in its ways, and established methods have continued from generation to generation. Almost recently, it might be said, a new factor has entered into the production of textiles. Rayon is merely a new name for artificial silk, a synthetic fibre discovered and patented in France in 1884. The effect of this invention was not really noticed in the textile industry until within the last five years.

Until 1920, then, this smaller brother of the silk trade enjoyed but little prestige because of its lack of tensile strength and other qualities which made it but a poor competitor to wool, cotton and real silk.

To-day the situation is radically different. Not only has modern manufacturing technique improved the durability and appearance of rayon, but it has found its greatest usefulness in combination with other fibres for decorative purposes. It now enters almost every branch of textile manufacture. It is an important adjunct in the weaving of fancy cotton goods for both dresses and furnishings; it adds lustre to woollen goods; it is employed in combination with real silk for the production of silks and ribbons, and plays an important part in the manufacture of hose and other products of the knitting industry.

Sells at a Low Price

Rayon sells at approximately one-third the price of real silk and does not fluctuate, as does the latter, under changing crop conditions.

Naturally, the introduction of this fibre on a large scale cannot be accomplished without upsetting to a certain degree, the established methods of weaving. Thus it is that many operations in textile production, from the process preparatory to spinning to the actual finishing of the cloth, are to-day in a state of re-adjustment.

New methods had to be developed for its combination with wooltops to form blended yarns; dyeing formulae and methods have had to be altered; humidity conditions in weave sheds have had to be adjusted, and the actual process of weaving itself modified, and new finishing operations have had to be developed. More important still from the consumer's standpoint, and from the standpoint of the investor in textile stocks, has been the effect of rayon on the sales of the mills. New and beautiful materials at low prices have appeared in the stores. This has enabled manufacturers to increase their sales in a depressed merchandising period.

Not Without Handicaps

At the same time, the introduction of this new fibre presents certain handicaps to the textile industry as a whole, for, in the past, the companies have made a portion of their profits from spinning raw cotton or wool, whereas now finished rayon threads must be purchased from the manufacturer and the companies must derive their profit solely from the one operation, that of weaving the materials.

There are to-day four different methods employed in the manufacture of rayon. Fundamentally all of these methods consist of the chemical treatment of the cellulose found in vegetable life. By such treatment the cellulose becomes semi-liquid, and the solution thus obtained is forced through tiny holes into a long continuous thread which is hardened either in a liquid chemical solution or by evaporation in the air.

Reliable estimates placed the world output of this fibre in 1914 at approximately 26,000,000 lbs.—this year it is probable that the year's output will be 200,000,000 lbs.

A Plant in Canada

A plant has recently been opened at Cornwall, Ontario, by Courtalds, of England, to manufacture this new textile. It is understood that this company is using Scandinavian pulp to produce its output of silk, but after the plant has been tuned up, it will switch over to Canadian pulp. Of all the producers of rayon, this company is unquestionably the largest; besides controlling its British and Canadian subsidiaries, controls the largest producer in the States, the Viscose Company of America. This latter concern produces about 70 per cent. of the United States output.

Meanwhile, investors must not for a moment think that rayon will in any way, shape or form supplant cotton or wool, for its output is only about one and one-half per cent. of the former and three or four per cent. of the latter. However, it promises to bring changes in the textile industry, and it promises also exceptional growth in the future.

The name, "rayon," indicates a changed attitude toward artificial silk. It was developed in order to get away from the term "artificial." It was an attempt to put the material where it belongs—that is, on its own feet as a distinctive fibre which does not imitate cotton or wool or silk, but which may be used in combination with any or all of these, with noteworthy commercial results.

Demand Above Supply

In spite of the enormous increase in output being prepared for 1926, manufacturers of rayon have no fear of the market being swamped, since the present demand is much greater than the supply, and they expect many new fields to be opened as soon as the output begins to catch up. In the past, hosiery and knitting industries have been the largest users of rayon, with the broadsilk industry third. The prevailing demand is for novelty fabrics of all sorts.

For 200 years man has endeavored to produce a synthetic textile by studying and imitating the processes of the silkworm. In 1884, Chardonnet patented in France a method for manufacturing rayon. More than a decade of experimentation elapsed before a yarn of sufficient intrinsic value to warrant manufacture on a large scale was produced. In the meantime, English and German chemists were developing processes, so that by the beginning of the present century there were in use three commercial methods of producing rayon.

A Supplementary Textile

The tendency on this continent, at least, has been for rayon to supplement rather than replace natural silk, as witness the fact that the imports of silk into the United States have nearly doubled since 1913, in spite of the tremendous growth of the rayon industry. It cannot be said that the fabric has replaced any textile and it appears to have made its greatest in-

(Continued on page 18)

History of Cotton Textiles

THE Canadian manufacture of cotton goods may be said to date from 1844, when a mill was erected at Sherbrooke, Quebec. With a capital of £12,000, the promoters of this concern formed the first limited liability company in Canada. The mill had a capacity of 1,200 spindles, and grey sheetings were manufactured successfully for several years.

The next mill was established in Upper Canada in 1847. This was at Thorold. A third and more successful cotton mill was founded in Montreal in 1853 by F. W. Harris. It employed 70 hands, mostly women and children, whose wages amounted to £2,000 annually.

It was the breaking out of the civil war in the United States which gave the first impetus to the cotton textile industry in Canada. In 1871 there were only eight mills in the whole of Canada, five of them in Ontario. The total hands employed numbered 745 and the capacity of the mills is estimated to have been 95,000 spindles.

In 1879 the duty on cotton goods was increased from 17½ per cent. to between 20 and 30 per cent. By 1881 there were nineteen cotton mills in Canada employing 3,527 hands.

The Magog Printing Mill

In 1884 a factory for cotton print goods was built at Magog, Quebec, operating six printing machines. Shortly after this, the competition between the mills became reckless and events forced an amalgamation of several of the mills into two great syndicates, one of which made a specialty of the manufacture of colored cottons of a high grade. This syndicate was known as Canadian Colored Cotton Mills Company. It was later acquired by the Canadian Cottons. By 1900 there were twenty cotton mills in the Dominion, with a production of $12,000,000, constituting the most important single industry in the Canadian textile group.

The immediate influence of the outbreak of the Great War was detrimental; comparative inactivity continued into 1915 with only twenty plants operating with a production valued at $20,513,000. During the later years of the war, the elimination of overseas competition, as well as the extensive war orders, made themselves felt, and former records of employment and production were broken. The employees of the twenty-six plants numbered 16,000 persons in 1918, about one-half of whom were women. Production at this time was valued at $66,000,000, but part of this increase was accounted for by the spectacular rise in prices. The capacity of the cotton industry had, in the meantime, been expanded to 21,000 looms and 1,064,000 spindles. The end of the war found retailers' stocks low and a strong demand for textile goods. The shortage of the cotton crop, caused by the ravages of the boll weevil accelerated the upward movement of prices and the activity in the Canadian industry was well maintained during 1919 and reached its greatest expansion in the following year. In 1920 production was valued at $92,500,000, and employees numbered 17,625.

The apparent decline in 1921 was largely accounted for by the serious deflation in prices. The value of the entire production fell from $92,500,000 to $66,000,000 in 1921, but the production of bleached or white cotton fabrics increased from 55,800 square yards in 1920 to 72,300,000 square yards in 1921; the manufacture of print increased at this time also.

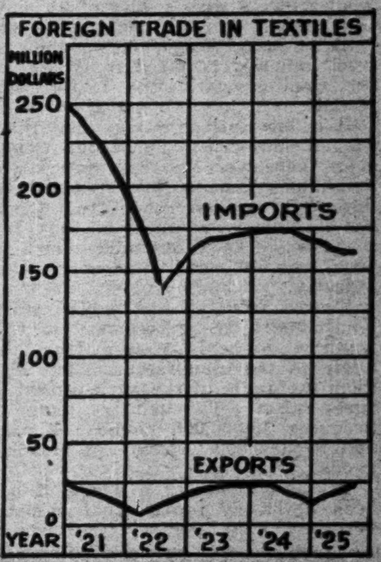
In the 33 cotton and yarn mills operating in 1922, the capacity increased to 1,241,074 spindles and 24,000 looms. The province of Quebec has always led in quantity of production.

OUR KNIT GOODS INDUSTRY MAKES STEADY PROGRESS

Has Proved to be One of Most Successful Branches of Textiles

NO PART of the textile industry in Canada can boast of such a rapid and successful development as the knitted goods branch. During the last ten years or more, there has been wonderful progress made in this section of the industry; it has been a conspicuous feature of Canadian development, contrasting in this respect with its sister industry, woollen manufacture.

The first attempt to make knitted goods on a commercial scale was made in 1857 by a new arrival from England who brought with him to Belleville, Ontario, three hand-knitting machines and a quantity of yarns suitable to the manufacture of hosiery and underwear. In 1859 he associated himself with a man already engaged in the manufacture of power-made knit goods at Ancaster, near Hamilton, Ontario. Some improved knitting machines were installed, and this pioneer mill, and the favor in which its product was held, paved the way for the greater development which has followed.



Further Development

Later, this same man moved to Paris, Ontario, and became interested in the first knitting mill in that place, known as the Penman and Adams Knitting Mills. Some time previous to this, a knitting business had been started in a small way at Toronto.

A Rapid Growth

To-day there are over 150 knitting mills of importance in Canada, an increase of 100 per cent. in the last decade. The equipment of these mills, not only in motor power machinery, but in dyeing, bleaching and finishing branches, is unsurpassed anywhere. Many of the mills are located in Western Ontario, which is the section in which this industry has progressed enormously (107 of the 153 mills are in Ontario). The capital invested in this industry exceeds $45,000,000.

The bulk of the goods turned out in the factories consists of men's women's and children's underwear, cashmere, woollen and cotton hosiery, mitts and gloves, sweaters and novelties. It is through the manufacture of novelties, knitted ties, sweaters and cloaks, that a large proportion of the remarkable development during the last few years is mainly due. Perhaps the hosiery branch has not progressed as rapidly as some other departments of the knit goods manufactured.

The Cotton Companies in 1925—And After

The Outlook for Earnings During the Current Fiscal Years

The year 1925 opened well for the cotton companies in Canada. For the first few months the mills operated at capacity, but by the middle of June most of the operators were working about half time.

This autumn, however, business picked up and most of the mills are on full time at present, and while business at the moment is good they are not booked many months in advanced.

During the year the price of raw cotton dropped some four cents per pound, and it is thought that many large buyers held off purchasing until this autumn to await the lower prices from the larger crop in the U. S. Although this crop was large, yet its average quality was rather low, hence, prices did not fall as low as some anticipated.

At any rate, this autumn purchases were practically forced to buy; this has resulted in the Canadian mills operating at full capacity. The hand to mouth buying which has been going on for several years still seems to continue, and although business at the moment is good for the mills, most of them are only booked for about two months in advance.

Keen Competition Handicaps the Woollen Weaving Industry

Felt That Industry Should Prove of More Benefit to Country Through an Increased Use of Agricultural Lands—The Effect of Tariffs on Woollen Goods

THERE are 294 woollen and knitting mills in Canada. Of these mills 60 per cent. are in towns of under 10,000 population, and their continued progress is vital to the life of these smaller towns. Unfortunately, with a few outstanding exceptions, like the Paton Manufacturing Company, of Sherbrooke, these mills to-day are but barely making operating costs. The reason for the dullness in the industry comes from the fact that competition from abroad has proved too keen. For instance, in Great Britain the wages paid to woollen workers are only about one-quarter or one-half of the wages paid in Canada. Spinners in Yorkshire are paid about $5.77, whereas they receive here a weekly wage of $13 to $15. However, the mills which have gone to the wall in Canada during the last few years, due to the low preferential rate of tariff, are the weaker sisters. Those which are built on a firmer financial foundation are struggling through and hoping for better times.

An Important Industry

At the present time there are some 25,000 employees in the woollen mills and there seems no reason to doubt that, adequately protected, this could be increased to 50,000, which would benefit not only the woollen industry, but the sheep-rearing industry. Canada allows its wool to be imported free, but at present there are only some 2,500,000 sheep in this country, whilst climatic and feed conditions would permit the keeping of 25,000,000. The United States protect their wool growers with a duty of 31 cents per pound. Canada could grow the bulk of the 70,000,000 pounds of wool annually required in Canada if the wool grower were better protected.

It is interesting to note that there are no more sheep in Canada to-day than there were in 1897, due to the fact that Canada then reduced its duties on woollen goods from Great Britain, which resulted in the closing down of 88 of our mills. This, in turn, reacted on the sheep-growing industry.

Viewed from all angles, the woollen industry is indigenous to this country, not only viewed from the angle of the manufacturer, but also from the angle of the agriculturist or sheep-raiser. The industry annually produces 15,000,000 pounds of wool and $75,000,000 worth of finished goods.

Taking Canada as a whole, it has been definitely proved that climatic conditions are favorable for sheep raising. Yet to-day we find ourselves up against the serious economic problem of consuming more wool than we produce, and, for an agricultural country like Canada to have reached this stage for such an essential as clothing should surely demand serious consideration from all. Incidentally, in proof of the statement that Canadian wool is good, the sheep growers point to the fact that at the greatest show of livestock in the world, the Chicago International Stock Show, last year, sheep bred in Canada swept the boards of prizes.

Imports From Britain

In 1897 a system of especially low duties on goods manufactured in Great Britain was granted by Canada and increased to one-third of the general tariff in 1900. These low duties were collectively known as the British Preference. As Great Britain had the advantage of mass production at much lower wages than the woollen mills in Canada, many of these mills were forced to close their doors, and the employees were thrown out of work, and much of the capital invested lost, creating hardship upon numberless small Canadian towns and many Canadian investors.

Since that date, the woollen industry in Canada has always been struggling. When the present government assumed office, these preferential duties were again lowered, with the result that the industry faced still harder times.

Mr. George. A. Dobbie, of Galt, past-president of the Canadian Woollen and Knit Goods Manufacturers' Association, has said:

"There are no climatic, physical, or technical reasons why all classes of textiles cannot be manufactured in Canada. Those who talk of unfavorable spinning atmosphere, unsuitable water, and the mysterious ability for textile work possessed by people in other countries, but not by Canadians, are living in the past."

Many Unfair Comparisons

Canadians have complained in the past that the weaving of woollens in this country was useless; they have compared the best British goods with the Canadian. A comparison of that sort is obviously unfair for, with the present low duties, the Canadian manufacturer does not try to compete in the highest quality goods, for the low tariff prevents him obtaining a market wide enough to produce these goods at satisfactory prices. There is justice in the claim of the manufacturers: "The bigger the market, the better the quality." Indeed, in equipment and in every other way the Canadian woollen mills come up to the standard of the best Yorkshire mills, only through lack of a broad enough market, the domestic woollen manufacturers do not, as a general rule, compete with British mills in the very highest grades.

Canadian knitting mills, on the other hand, have a sufficiently large market for their goods, and, as a result, the quality of Canadian-knit goods is not excelled by the product of any mills in the world. The knitting companies, though, are hampered in the same way as the weavers; that is, foreign competition forces prices to a point where profits are almost impossible to attain. However, the investor must not consider for an instant that all the knitting mills in Canada are not making money, and immediately cast any securities which he holds on the market. It is the common and preferred stocks of these companies which do not, as a rule, show a satisfactory return.

The British Preference on woollen and knit goods was increased in 1922 and still another blow was struck at the woollen industry in September, 1923, when Canada entered into a trade treaty with France. The result of this was to increase tremendously the importations into Canada of woollen and knit goods made by the workers in France.

According to the Canadian government trade figures, the treaty resulted in the following increases in importations from France:

12 Months Ended March	
1922	$ 699,838
1923	1,020,122
1924	2,061,935
1925	3,284,976

The government also granted the same advantageous duties to Italy, Switzerland and Belgium as it did to France.

The tremendous increases in the importations of goods made by workers abroad since the tariff reductions in Canada in 1922 and 1923, are shown in the British government export figures for Canada of woollen and worsted cloth for the calendar years as follows:

	sq. yds.
1921	13,095,400
1922	27,014,500
1923	28,834,700
1924	30,154,200

It is interesting to note also that these figures do not include blankets, furniture stuffs, flannels, carpets, hosiery, underwear and fancy knitted goods.

Women Interested in Wool

Almost since the beginning of time, women have spun, woven and made clothing for their men. Possibly this explains why the textile industry is the largest employer in Canada of women industrial workers. Out of 90,000 workers employed directly in the Canadian textile industry, about one half are women.

This simply means that the wages paid these Canadian women workers must move with the amount of imports coming in from abroad.

The wool retained in Canada for further manufacture, not including wool imported in forms of tops, noils, waste and yarn, or woollen goods further advanced than yarn, is as follows:

Raw Wool Retained in Canada for Further Manufacture

Fiscal yrs.	Imported	Canadian	Total
1919	15,489,078	15,118,161	30,607,239
1920	10,383,535	10,915,273	21,298,808
1921	8,526,606	16,711,637	25,238,243
1922	12,412,914	20,206,567	32,619,481
1923	17,156,902	9,855,972	27,012,874
1924	18,376,652	9,530,337	27,906,989
1925	13,544,482	9,486,454	23,030,936

The foregoing figures indicate more plainly than words the effect of increasing the British preference on the woollen textile industry in Canada. More than that, it indicates that our sheep-raisers have been forced to search out other markets for their production. Increased tariff protection for this industry must result in more profits for our sheep-raisers, and will in turn make a better and wider use of our abundant agricultural land.

The following table shows the imports of various grades of woollens from all countries for the past four years. It is interesting to note that whilst prices have been steadily declining, the table shows a large increase in the value of these imports; it must, therefore, be seen that the volume will have even increased disproportionately to the value shown below:

Woollen Industry	
Woollen cloth plants	66
Woollen yarn plants	19
Carpet and rag plants	23
Other plants	33
Total plants	141
Capital invested	$43,148,218
Employees	8,890
Wages paid	$ 8,073,749
Cost of materials	$17,677,281
Value of products	$35,472,087
Value added by manufacture	$15,794,806
Hosiery and Knit Goods Industry	
Establishments	153
Capital invested	$45,073,368
Employees	16,207
Employees wages	$11,345,948
Power utilized	14,659, h.p.
Cost of materials	$24,344,350
Value of products	$47,521,576
Value added by manufacture	$23,177,226

Considerable capital is being made by those antagonistic to the development of industries in Canada of the fact that the American Woollen Co. had a bad year in 1924, and that the industry in the United States is reported to be slack.

So far as the American Woollen Company is concerned, it controls less than 4 per cent. of the woollen and worsted mills in the United States. There are 1414 woollen and worsted mills in the United States, employing a capital of over one billion dollars. The American Woollen Company cannot, therefore, be taken as an index of general conditions there.

The annual reports of the American Woollen Company show that over a period of 25 years, from 1899 to 1923, it had a uniformly prosperous career, starting with a capitalization of $49,501,100 in 1899 and increasing this steadily to $90,000,000 in 1923. In 1924 it had a bad year. The gossip in the trade regarding the reason for this was that the company had committed itself to spending large sums of money for raising the standard of living of their workers at a time when subsequent and unforeseen events showed the necessity of retrenchments instead of expansion, and that prices were reduced in 1924 on their product on a rising wool market when the break in wool prices to justify this did not come until January, 1925, and that consequently heavy losses were made.

Here are the figures on the Canadian woollen industry, excluding the knit goods branch:

Calendar Years	1921	1922	1923	1924
Cloth	$18,154,459	$22,287,466	$23,688,991	$25,030,674
Carpets and Rugs	1,433,956	1,677,953	1,732,065	1,732,150
Knitted Goods	4,194,100	6,957,370	8,039,228	6,858,974
Yarns	2,205,280	4,112,356	4,048,965	3,616,222
Made-up	2,793,269	2,684,406	2,903,087	2,406,608
Pressed Felts	392,948	388,671	288,582	260,758
Totals	$29,194,012	$38,108,222	$40,700,908	$39,914,477

Rayon Starting to Play More Predominant Part in Industry

(Continued from page 17)

roads in the field of cotton. However, a trade authority points out that if 5 per cent. of the cotton now used should be replaced by rayon, the amount required would be over four times the annual production of rayon in the world to-day.

From the nature of the business, it requires a large amount of capital, years of experience and skilled labor, to engage in this industry, and it, therefore, does not lend itself to the rapid exploitation by new companies with small capital. Four companies produced 98 per cent. of the entire rayon production of the United States last year. The United States production for the past ten years is seen in the following figures:

1914	26,000,000 pounds
1918	35,000,000 pounds
1919	40,000,000 pounds
1920	50,000,000 pounds
1921	65,000,000 pounds
1922	79,738,000 pounds
1923	97,000,000 pounds
1924	141,164,000 pounds

Indigenous to Canada

As approximately half of all the artificial silk made comes from sulphite pulp, all this is of interest to Canadians in general and to the holders of shares in any sulphite pulp company. From this it must not be thought that the only thing necessary for a sulphite mill to do, is to sell the silk manufacturer his pulp. Such is not the case, for in the United States there are probably only four companies which are able to produce the type of pulp necessary, and as has been said, Canada has but one mill at the present time engaged in this division of the industry.

Although growth in manufacturing and use of rayon the past five years has been phenomenal, there is every indication that 1926 will witness the most extraordinary expansion this rapidly growing industry has yet seen. Trade experts estimate total production in the United States in 1926 at 84,000,000 pounds, against 52,000,000 in 1925 and 10,000,000 in 1920, an eight-fold increase in five years.

Already consumption of rayon exceeds silk, and rayon manufacturers say the silk industry is but a small part of the potential market for rayon. Volume of silk business is dwarfed by volume of cotton and woollen trades.

Will Silks Need More Protection?

Manufacture of Rayon in Canada May Present Problems to Silk Manufacturers

One of the questions which is at present interesting the manufacturers of silk in Canada is the future cost of rayon, or artificial silk. Some time ago, a British firm of artificial silk makers approached the Canadian government with a view to establishing a plant in this country. The government placed a tariff on rayon, but silk manufacturers were allowed a drawback of 80 per cent. of the tariff charges.

However, after January 1 next, the silk manufacturers must pay the full duty for artificial silk which they import.

Some manufacturers of silk in Canada feel that perhaps the company manufacturing raw silk from wood pulp may take full advantage of its tariff protection in 1926. Should it do so, this means that the silk manufacturers will have to pay considerably more for their raw material, while, at the same time, they receive no further protection on their manufactured products. If this occurred, it would seem that the manufacturers of silk would have a good case for future protection to present to our government.

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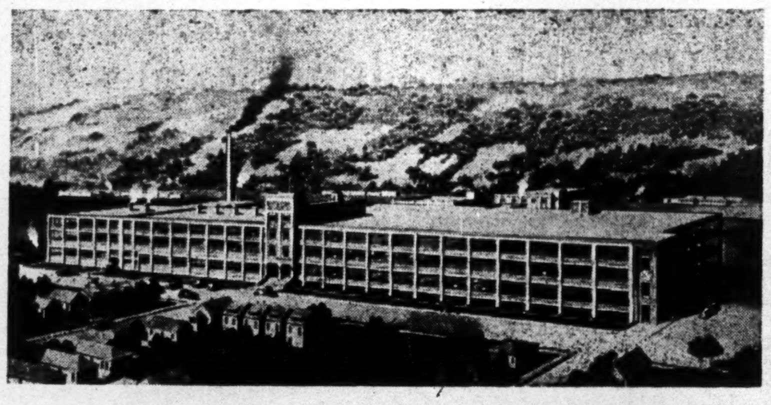

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Drastic Decline in Wool Retained for Manufacture

Various Factors Have Combined to Decrease the Volume of Raw Wool Manufactured Into Textile Fabrics in Canada

A GRADUAL decline has taken place in the amount of raw wool retained in Canada for further manufacture in the textile industries of the country. In 1922, 32,619,481 lbs. of wool comprising imported and Canadian wool was retained for manufacture. In 1923, the amount was 27,000,000. Approximately the same amount was retained in 1924. During the fiscal year 1925, the total dropped to 23,300,936, according to information compiled by the Canadian Woollen & Knit Goods Mfgrs. Association. The following is a statement of the amount of raw material, both foreign and Canadian, retained for further manufacture in Canadian mills during the past six years:

Raw Wool Retained in Canada for Further Manufacture

Fiscal Years	Imported	Canadian	Total
1920 ..	10,383,535	10,915,273	21,298,808
1921 ..	8,526,606	16,711,637	25,238,243
1922 ..	12,412,914	20,206,567	32,619,481
1923 ..	17,156,902	9,855,972	27,012,874
1924 ..	18,376,652	9,530,337	27,906,989
1925 ..	13,544,482	9,486,454	23,030,936

In the above table, imported raw wool constitutes a large percentage of the total. A maximum amount was imported in 1924, namely, 18,376,652 pounds, while for the current year only 13,544,482 was retained. During these two years approximately 900,000 pounds were exported in the form of wool only partly manufactured. From these two figures it is seen that the amount of foreign raw wool retained in Canada for production, perhaps, has declined rather materially during the past two or three years, as has also the Canadian product manufactured. The following figures are for the past six years:

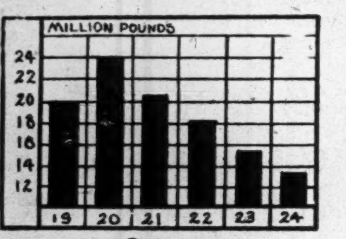
Foreign Raw Wool (lbs.)

Fiscal Years	Imported	Exported	Retained
1920	11,771,690	1,388,155	10,383,535
1921	9,277,237	740,631	8,526,606
1922	12,586,696	163,782	12,412,914
1923	18,255,595	1,098,693	17,156,902
1924	19,375,924	999,272	18,376,652
1925	14,362,890	818,409	13,544,482

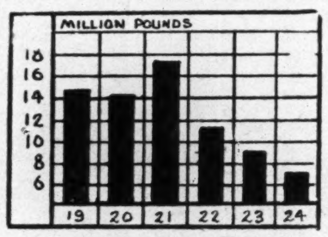
Similarly in the case of Canada the raw wool crop has had a decided falling off in production. Four years ago the annual production amounted to 24,000,000 lbs. This declined in 1922 to 21,000,000 lbs. and for the fiscal year 1925 had fallen off to 15,111,719. In the same way a decreasing amount of this Canadian product is being exported so that for the past three years the volume retained for manufacture is between nine and ten million lbs. as against 20,000,000 lbs. for 1922, as shown in statement which follows:

Canadian Wools (Lbs.)

Fiscal Years	Produced	Exported	Retained
1920	20,000,000	9,084,727	10,915,273
1921	24,000,000	7,288,273	16,711,637
1922	21,251,000	1,034,433	20,206,567
1923	18,523,372	8,667,400	9,855,972
1924	15,539,416	6,009,079	9,530,337
1925	16,111,719	5,625,265	9,486,454



WOOL PRODUCTION



WOOL CONSUMED IN CANADA

—And Now Synthetic Wool

During the last few days newspapers announced something to the effect that an Italian scientist had invented artificial wool.

The announcement was not quite correct. Artificial wool has existed for some time, but for one reason or another has not been offered commercially. Undoubtedly the news item should have stated that the Snia-Viscosa Company, of Italy, has decided to market this new fibre, resembling wool, under the trade name "Sniafil." Anyway, it is a fact that this great Italian organization has recently come to this decision.

It is no secret that several of the manufacturers of rayon have developed a process for the production of this synthetic wool. The trade, by the way, has concluded to call this product "lanol," which is the Latin for wool. Evidently the Italian company has resolved that the time is right for putting its brand of lanol on the market.

In its issue of October 27, Rayon, published an article under the title, "'Sniafil'—A Fibre With a Future as Bright as Rayon." We are indebted to this article for much of our information on lanol. The product, it seems, is made in much the same way as rayon. The only difference is that lanol is a much shorter fibre. William J. Baxter, the author of the aforementioned article in Rayon, says that "practically any rayon manufacturer in the world can with slight changes turn over his equipment to the manufacture of lanol."

Courtaulds, the world's largest producer of rayon, owns a wool process. Several weeks ago, this English concern intimated that it would presently introduce its synthetic wool. But like all producers of rayon, the English company has been hopelessly handicapped in trying to expand its facilities to take care of the ever-increasing demand for rayon. Under the circumstances it is only natural that the company has decided to delay its entrance into the lanol field.

The Dupont Company has made notable headway in developing a synthetic wool. But Dupont also has been so busy getting out rayon that the Dupont lanol has had to wait.

But the situation on the continent is different. It is said that the makers of rayon on the continent are finding their production more nearly in balance with demand than are the manufacturers either in this country or in England. For one thing, the adoption of a tariff by Great Britain has shut the English market against the continental producers.

Undoubtedly these conditions have hastened the decision of some of the rayon manufacturers in Europe to enter the artificial wool field. Mr. Baxter points out in his article that it is likely that the Snia-Viscosa Company will undoubtedly take the lead in this division of the synthetic fabric field, just as the English assumed the leadership in the production of rayon by being the first to recognize the possibilities of this material.

The Snia-Viscosa Company is in excellent position to develop lanol or "Sniafil" as its brand will be known. In the first place, this concern is the world's second largest producer of rayon. It is regarded as Italy's largest industrial company. The company is rich, has splendid reserves and is adequately prepared to put an energetic campaign behind this new product. It recently purchased a factory with a 150,000 pound daily capacity and is already turning out 13,000 pounds of Sniafil daily.

To be able to compete with wool, this new material will have to sell at a much lower price than wool. While the material looks like wool, feels like wool, and has many of the advantages of wool, still it lacks the warmth of wool and has the further disadvantage that it loses a little of its strength when wet. Therefore, the only excuse for the product is that it be sold at a price where wool cannot compete.

This synthetic wool is now being sold in Europe at a price that is equivalent to fifty or fifty-five cents a pound.

WHAT TEXTILES MEAN TO CANADA

Few realize the extent of this great industry and the prominent place it occupies in the nation's business.

The industry
—employs over 90,000 persons.
—pays out in wages over $81,000,000 annually.
—represents an investment of over $283,000,000.
—produces textiles from over 1,800 plants.
—buys $176,445,427 of raw materials annually.
—and produces annually finished goods to the extent of $334,439,196.

The textile industry in Canada is usually divided into four groups, cottons, woollens, silks, and hosiery and knit-goods. Of these, cottons and knit-goods play the more predominant part as far as the value of production is concerned, with the production of woollens a close third. However, the woollens and knit-goods industry are so closely associated that it is difficult to say exactly where one finishes and the other begins.

Made-in-Canada Means People and Business for Railways

By H. M. JAQUAYS.
Chairman, Montreal Division, Canadian Manufacturers' Association.

If we can, by exercising care and attention and some trouble and even self-denial, through the purchase of our own products, stop a percentage of our importations let us examine the effect of this upon the country in general.

For the years ending March 31, 1924 and 1925, I have stated that we imported products of such value that if the freight charges paid to foreign transportation companies were added to this, the sum would probably be in the vicinity of one billion dollars per year. Let us suppose that we could replace 20 per cent. of this (some claim a much higher per cent. could be replaced) or $200,000,000 with our own products.

What effect would this have upon industry? If we assume that of the cost of producing commodities 50 per cent. is paid in wages, which I think is a conservative estimate, then $100,000,000 would be paid in wages. Assuming $1,000 per year as an annual wage per person, this increase in output would require 100,000 workers, or with their dependents in the vicinity of 500,000 increase to our population.

But these commodities have to be transported, and assuming that 15 per cent. of the cost of the product is paid to the transportation companies this means that their earnings are increased by $30,000,000 per year—a sum nearly equal to one-quarter of the total operating wages of the C. N. R.

Approximately 50 per cent. of the earnings of the railways is paid out in wages, so $15,000,000 of this would go to the wage earner. If the average wage of a railway worker is $1,300 per year, this would pay the wages of 11,500 men per year, or with their dependents—some 55,000 people.

But the action is cumulative. The 500,000 increase in industrial population and the 55,000 increase in connection with the railways require housing and additional supplies, hence more freight and more farm supplies, e.g., it requires approximately five bushels of wheat to feed one person one year so the 555,000 people would require 2,775,000 bushels of wheat for their support.

Carrying more freight means that the railway purchases are greater, hence more business. And so the benefits spread out as do the rings which are caused by throwing a stone into a quiet pond.

Increasing Population

We may check these figures in another way to show that they are not far from correct. Our statistics show the total annual products of Canada to be valued at roughly $2,729,000,000. $200,000,000 is roughly 7½ per cent. of this. Looking at the problem in this manner, $200,000,000 increase in business would require an increase in population of 7½ per cent. of 8,800,000, i.e., 660,000 people.

Improved Outlook in 1926 for the Knit-Goods Companies

At the present time, investors holding securities of the woollen knit-goods companies will be considering the outlook for 1926 and may perhaps welcome a brief summary of a few of the factors affecting this industry, the results during the current year and what may be expected in 1926.

At the beginning of 1925 prices of raw wool reached a high peak, which in some instances were 150 per cent. above pre-war prices. In February, prices declined sharply and in July they averaged about 40 per cent. over the pre-war level. Since that date, prices have moved upwards again.

The high prices at the beginning of the year and the fluctuations in the raw wool market were but two of the factors which made 1925 one of the hardest years for operating knitting or woollen mills. Practically without exception the concerns in this industry will show decreased earnings for the period ending December 31.

More Optimistic of 1926

Woollen knit goods manufacturers, as a whole, are much more optimistic about 1926. In the meantime, the wholesale trade is booking larger orders for delivery next year, and the possibility of the extreme fluctuations which characterized the 1925 wool market, look remote; with the better harvest, merchants should be more disposed to contract for their requirements early in the year. Retail stocks are low and conditions throughout the rural districts are much better than at the corresponding period of 1924.

During the past year competition in some instances was so keen that some goods were disposed of at little or no profit. This point, however, seems to have been passed and reports from the knit-goods mills are more optimistic.

One of the Handicaps

One of the handicaps under which the companies in this industry labor is the fact that contracts are often placed many months in advance and when the time for delivery draws near, manufacturers are sometimes forced to pay considerably more for their wool than at the time the contracts were made.

In order that the fluctuations in the wool market may be better understood there follows a table showing the price of six grades of wool in pence over the last few years. The percentage of increase in present prices as compared with 1914 is seen in the right hand column:

	Average 1909-13	July 1914	Dec. 1923	Dec. 1924	April 1925	Oct. 1925	
	d	d	d	d	d	d	%
70's Merino	28½	33	67	84	65	60	90
60's Super	26¾	31½	62	79	59	51	77
60's Ordinary	26¼	31	57	73	56	47	52
56's Crossbred	22	23¾	44	55	41	36	50
46's Carded	15½	17¼	23½	36	28½	25	47
32's Prepared	13⅛	15¾	20½	32	27	23	50

A Basic Industry with an Excellent Future

The Bruck Silk Mills

Unique in The Textile Field

THE Bruck Silk Mills Limited is one of the few organizations in the world, and the only company in Canada, to carry out all the operations in the manufacture of silks under one roof and under one control. That these operations have been carried out successfully is proved by the earnings which the company has been able to show since its inception.

The mills had their inception in 1921 when a group of men, long associated with the making of silks in the United States, commenced the manufacture of silks in Cowansville, P.Q. Since that date, both the earnings and the mills themselves have undergone a steady growth. Earnings during the past three years have averaged over $67,000, whilst earnings for the current year will run in the neighbourhood of $95,000.

These earnings compare with a capitalization of $350,000 in 6½ per cent. bonds on which annual interest charges are $22,750 and 25,000 shares of no par value.

Demand Produces Growth

The consistent public demand for the company's output, which has resulted in continuous day and night operation since its inception, coupled with these excellent earnings, prove that the company's expansion programme is based on sound and conservative business lines. At the present time some $150,000 is being expended in extensions to the mills. When completed, these additions should provide net earnings available for bond interest of about $120,000 annually.

The plant occupies some 16 acres of land on which are erected ten buildings. The site is served by a railway siding. The plant contains 100 looms with a capacity of 30,000 yards of broad silks each week.

Employed in the manufacture of these silks are over 250 Canadians. The company's relations with its employees include the provision of a hospital in charge of a matron at the mills, together with club rooms where suitable arrangements either for recreation or rest are provided.

Equipment at the Mills

The mills are up-to-date in every respect and completely equipped with automatic sprinklers throughout. There is provided also an emergency power plant in the form of a motor generator and storage batteries which, in the event of a break down in the power supply, automatically assumes the load.

The silk is manufactured in the gum, which enables the mills to keep pace with constantly changing fashions without loss or waste, for the cloth is kept in the gum until orders are actually placed, when it is then boiled out and the cloth dyed in accordance with fashion's latest decree. The advantages which accrue through weaving the silk in its natural gum are more real than might at first glance be imagined, for fashions frequently change with unbelievable suddenness.

A Wide Output of Silks

The output consists of silk dress goods, including Canton crepe, crepe de Chine, silk and wool crepe, satin Canton, satin crepe, flat crepe, fancy novelties, silk yarns and silk prints. The silk prints are manufactured in a special department under the charge of a European expert. In addition, a profitable custom business in dyeing, finishing and printing is done for other manufacturers.

It is interesting to note that since the company's advent into Cowansville that the population of that town has increased by 65 per cent.—an increase due in a large measure to the company's growth. This increased population resulted in a housing shortage and the Bruck Silk Mills, in conjunction with two other manufacturers in Cowansville, incorporated a realty company which erects and rents houses to employees in the mills. All these facts indicate that the Bruck Silk Mills, although of comparatively recent origin, has carved out a substantial niche for itself in the Canadian textile trade and is laying solid foundations for future progress and expansion.

Williams, Partridge & Hodgson
Limited
Investment Bankers
171 St. James Street Montreal

Dominion and Provincial
Government Bonds
Municipal Bonds
Public Utility
and
Industrial Financing
Foreign Issues Quoted

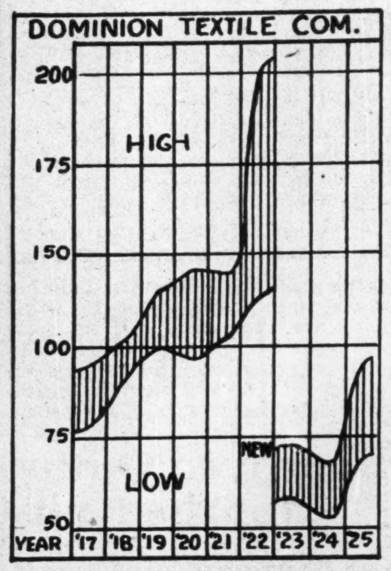
DOMINION SECURITIES CORPORATION
LIMITED.
Established 1901
E. R. WOOD, President
Head Office: 26 King Street East
TORONTO
MONTREAL OFFICE
Canada Life Building
LONDON, ENG., OFFICE
No. 6 Austin Friars

Dominion Textile

The Largest Canadian Textile Company Has a Past Record Which Inspires the Investors' Confidence — May Soon Enter the Rayon Business

The Dominion Textile Company owns eight cotton plants which take the raw material, spin and weave it. It also owns a bleachery and print work and turns out the finished product in almost every conceivable form, from string to cotton blankets. The company operates 11,058 looms and 530,000 spindles. It occupies over 80 acres of floor space and uses 20,000 horsepower, a large amount of which is owned outright by the company. It employs 6,500 hands.

The showing this company has made has been remarkable, contending as it has with competition from countries with a depreciated currency and a preferential tariff. There is the probability that it may undertake the manufacture of rayon in future. For some time now the management has been investigating the possibilities of producing artificial silk.



The steady rise in the pound sterling has proved of value to the Dominion Textile, for it is British competition rather than that from American mills which the Canadian textile industry has difficulty in meeting.

The stock of Dominion Textiles was split three for one at the end of 1922; this year the stock has been making new high level records. There seems no reason to doubt that it will continue to make progress in the future, although possibly not as rapidly as it has done in the past. Like Montreal Cottons and Canadian Cottons, the Dominion Textile balance sheet has always shown great strength. The liquid position as shown at the end of March 30 last was exceptional, in that the ratio of the current assets to current liabilities stood at about eight to one and the net working capital at over $8,500,000.

One of the features of this company is the fact that its raw material is not purchased through brokers, but it maintains its own buyers in the southern states who purchase the raw cotton requirements.

This year Dominion Textiles completed a $300,000 extension to its Montmorency mill. This addition covers an area of 260 by 100 feet; it was required to provide for the increasing demand for this mill's output.

This year the dividend was increased to five per cent., which, in view of the capable conservative management of this company, means that earnings at this rate will easily be maintained and augurs well for future progress.

During the first few months of the present year the company's plants were operating at capacity, but by June business contracted considerably and the output was reduced. However, since that date sales have been on the up-grade and, for some time now, the mills have been operating at capacity. Indications point to the fact that this activity will continue for several months.

The company's fiscal year ends on March 31, 1926, and indications at present point to the fact that the earnings for the present year should show an increase over 1924. In this connection though, it is to be remembered that the company has more than three of its best months ahead of it before completing its year.

Capitalization—

Pref., 7% cumulative	$1,940,600

Common, no par value, 225,000 shares. Common stock was split in three at the beginning of 1923.

Funded Debt—

First and refunding mortgage 6 per cent. bonds due September 1, 1949, $5,172,000.

Dividend Record—

Preferred paid regularly quarterly. Common increased from 6 per cent. to 7 per cent. June, 1917; from 7 to 8 per cent. June, 1918; from 8 to 10 per cent. June, 1920; from 10 to 12 per cent. June, 1921; from June, 1923, 4 per cent., increased to 5 per cent. April, 1925.

Officers and Directors—

Sir Charles B. Gordon, pres.; Sir Herbert S. Holt, vice-pres.; W. A. Black, C. R. Hosmer, F. G. Daniels, man.-dir., J. P. Black, J. H. Webb, sec.-treas., J. A. Fish, asst. sec.-treas.

Profit and Loss—
As at Mar. 31.

	1924	1925
Manf. prof. & int.	$1,767,529	$1,948,668
Less bond int.	659,514	637,812
Less bad debts	42,081	......
Balance	1,065,934	1,310,856
Pref. dividend	135,842	135,842
Com. dividend	900,000	900,000
Surplus for year	30,092	275,014
Pref. balance	5,359,910	5,390,002
	5,390,002	5,665,016

Earning Rate—

Per cent. on com.	4.13	5.26
Per cent. on pref.	54.93	62.91

Seven Years' Earnings—

Year	Earnings	Dividends	Surplus
1918 ..	$1,873,371	$ 485,842	$2,189,194
1919 ..	3,434,752	535,842	3,349,033
1920 ..	1,845,375	535,842	4,053,044
1921 ..	1,931,010	635,842	4,636,591
1922 ..	1,907,237	735,842	5,007,700
1924 ..	1,767,529	1,035,842	5,390,002
1925 ..	1,948,668	1,035,842	5,665,016

Market Record—

	1923		1924		1925	
	H	L	H	L	H	L
Com.	72½	61⅛	67¼	53¾	95½	66
Pref.	112	106¼	110	104¼	119	111

Canadian Converters

The Largest Organization in Canada Utilizing the Textile Manufacturers' Output—A Strong Company With a Large Equity Behind the Shareholders' Investment

Canadian Converters is probably the largest organization of its kind in the Dominion, manufacturing shirts, collars, dresses, aprons, etc., which are made from textiles bought from the manufacturers. It weaves no materials itself but purchases all of its requirements. The output is disposed of through the retail stores.

During the past 18 years it has woven into its financial structure a substantial equity behind its common stock. The company's sales have shown an increase this year; it is understood that the opening of the T. Eaton store in Montreal meant considerably more business for this company.

One of its best known lines was the Van Heusen collar. The company owned the rights for this product in Canada, Newfoundland and the West Indies and made good earnings with this line. However, in the autumn of this year, "Converters" obtained a less expensive line and turned over its Van Heusen rights to a company which previously had sold the cheaper line of collars. The reason for the switch lies in the fact that Canadian Converters sell the wholesalers, with whom the cheaper collar will sell better, whereas Van Heusen is now being handled by a concern which deals direct with the retailers, and through this exchange both companies stand to benefit through increased sales, as now both concerns handle lines which appeal more directly to their different customers.

Both the company's sales and gross earnings for the current fiscal year to date show an increase over the corresponding period of last year.

Capitalization—

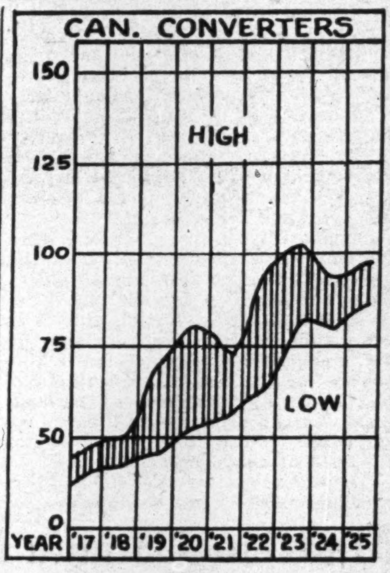
Preferred	None
Common stock	$1 733,500

Funded Debt—

6 per cent. first refunding mortgage due Dec. 1, 1926	$199,000

Dividend Record—

Common, now paying 7 per cent.. Payment of dividend at rate of 4 per cent.



was resumed August 15, 1912; reduced to 2 per cent. per annum February 15, 1915; dividend for quarter ending July 31, 1915, passed; resumed at rate of 4 per cent. April 30, 1917; increased to 1¼ per cent. per quarter July 31, 1918; increased to 1½ per cent. per quarter January 30, 1920; increased to 1¾ per cent. for quarter ending July 31, 1920, and since then paid at that rate.

Officers and Directors—

James N. Laing, pres.; J. H. Roy, vice-pres. and general manager; Thos. J. Rodger, J. M. Mackie, D. Paterson, T. R. Rennie, R. C. McMichael, K.C., T. M. Barrington, sec.-treas.

Profit and Loss—

	1923-24	1924-25
Profits of sub. cos.	$165,384	$129,808
Other income	28,394	24,664
Total income	193,778	154,472
Bond interest	23,940	18,940
Reserves	45,006	10,000
Dividends	121,345	121,345
Balance	3,487	4,187
Prev. balance	655,822	*651,308
Prof. and loss bal.	659,309	655,495
Rate % earned	7.20	7.30

* Less $8,000 allocation for expenses re moving "Black" plant.

Eight Years' Earnings—

Year End April 30.	Earnings	Dividends	Surplus
1918	$217,889	$ 52,005	$373,316
1919	257,324	65,006	443,879
1920	329,822	95,342	570,532
1921	327,457	121,345	620,704
1922	201,938	121,345	645,358
1923	202,300	121,345	655,822
1923-24	193,778	121,345	659,309
1924-25	154,472	121,345	655,495

Market Record—

	1923		1924		1925	
	H	L	H	L	H	L
Com.	103	79	90	70	95	80
Bonds	99½	99½	99½	99½	100	100

Canadian Manhasset

Doing a Little Better Than Earning Its Bond Interest—Produces Tire Fabric

Canadian Manhasset Cotton Company is located at St. Hyacinthe, Quebec, and is now operating under better conditions than obtained a few years ago. The company is engaged in the manufacture of tire fabrics and has contracts with different tire manufacturers in this country. When the company was formed, business conditions were most favorable. Later came the slump in the tire industry, naturally affecting its operation.

In common with the other three manufacturers of tire fabrics in this country, Canadian Manhasset Cottons suffered by reason of the fact that this section of the textile industry in Canada is considerably over-expanded. It seems impossible—at least for many years—that the demand for tire fabric will reach such proportions that the three companies engaged in its manufacture will be able to operate satisfactorily.

It has been in existence since 1920, and, as those who purchased stock must have done so as a speculation only, there is really nothing discouraging in the record of the present company, when all the factors are taken into consideration. The present year has brought better business, and it is maintaining its position, paying all its expenses, all the interest on its bonded indebtedness, and even earning a portion of its preferred dividends. In the meantime the plant is operating at capacity.

Capitalization—

	Authorized	Outstanding
Common	$1,500,000	$1,285,200
Prior pref. 7%	500,000	233,050
Cum. pref. 8%	1,000,000	632,500

Par $100.

Funded Debt—

Bonds 8 per cent., due 1941	250,000	150,000

Dividend Record—

Dividends on prior preferred and 8 per cent. preferred payable quarterly; initial payment of 2 per cent. on 8 per cent. preferred was made July, 1920.

Officers and Directors—

E. V. Livesey, pres. and gen. mgr., W. S. Cherry, vice-pres., H. C. Flood, sec., L. V. Sicotte, treas., A. Howarth, L. C. Gerry, J. M. Robertson, R. T. Birks.

Financial Position—

Total assets as at Dec. 31, 1924, were $2,458,168 and surplus $39,048.

Stanfield's, Ltd.

Eastern Company Which Has Changed Shares to No Par Value Basis

Stanfield's Ltd., was incorporated in Nova Scotia in 1905 as successor to the Truro Knitting Mills Co.; also owns and operates the Amherst Woollen Mills. In October, 1924, the authorized capital stock was changed from $500,000 com[illegible]. and $250,000 7 per cent. non-cumulative preferred, to 15,000 shares of no par value, holders of the old common stock being given the privilege of exchanging their holdings at the rate of two shares of new stock for each share of old held. The old preferred issue was redeemed at $105. Dividends on the old preferred were paid regularly, and on the old common at 4 per cent. per annum. Dividends on the no par value shares were started at $1 per share quarterly.

Capitalization—

	Authorized	Outstanding
Capital stock	15,000 shs.	10,000 shs.

No par value.

In 1924 a new company was incorporated. The preferred stock in the old company was redeemed at 105. The common stockholders were given two shares of "No par value" for each share of $100 par value of the old company.

Funded Debt—

None.

Dividend Record—

Dividends on preferred stock formerly outstanding were paid regularly, on old common at rate of 4 per cent. per annum. Dividends on no par value shares $1 per share quarterly, Jan., April, July and Oct. 10.

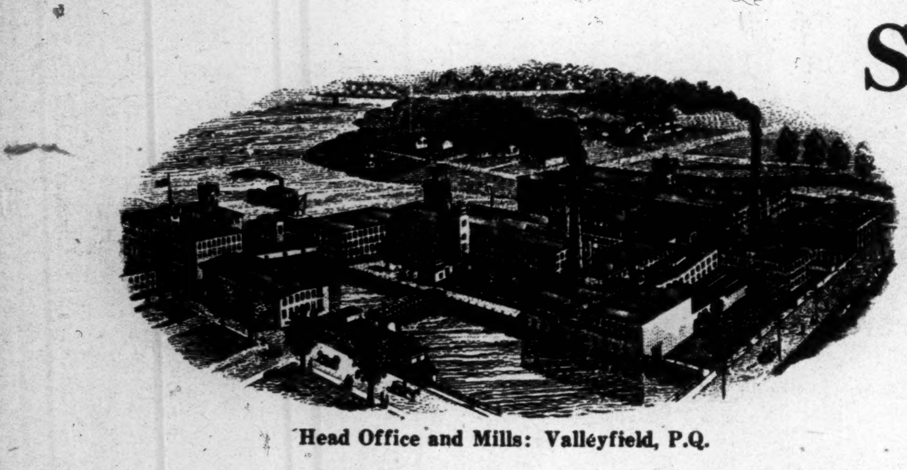
Officers and Directors—

Frank Stanfield, pres., gen. mgr. and pur. agent; Hon. John Stanfield, vice-pres.; Frank Stanfield, Jr., sec.; E. H. Abbott, treas.; A. J. Campbell, H. F. Bethel, L. M. Christie.

Profit and Loss—

	1923	1924
Profits	$183,612	*$102,015
Depreciation	50,000	......
Dividends	37,500	28,750
Contingent	15,000	15,000
Surplus for year	81,112	58,265

* After making allowance for bad debts, depreciation, etc.



Head Office and Mills: Valleyfield, P.Q.

Since Early Confederation Days

An Important Factor in Canada's Textile Industry

ONLY a year or two after the birth of the Canadian nation, the Montreal Cotton Company was established at Valleyfield, Quebec. From this modest beginning, in 1874, the company has grown with Canada and to-day represents one of the most important factors in the Canadian textile industry.

Some idea of the extent of the company is gained from the fact that the mills contain 200,000 spindles and 5,000 looms. These have a daily capacity of 2,500 pieces, and a weekly production of 160,000 lbs. The company now employs 2,400 Canadians.

The Montreal Cottons, Limited, was incorporated in 1911 and shareholders of the original Montreal Cotton Company were given shares in the new company on an exchange basis. From the outset of the establishment of the original company in 1874, the company's earning record has been excellent and indicative of a sound policy and a capable management.

Montreal Cottons, Limited, is chiefly concerned with the spinning, weaving, dyeing, bleaching and finishing of cotton textiles. The output consists largely of fine white goods, piece dyed materials and rayon silk fabrics of all kinds.

The company is an important factor in both the economic life of the locality in which it operates and in meeting Canada's demand for quality cotton products.

Board of Directors

President
Sir Charles Gordon

Vice-President
Sir Herbert Holt

Lt.-Col. A. Hamilton Gault
Wm. Finley
F. W. Molson
Hon. R. Dandurand
J. P. Black
F. G. Daniels
J. Lowe

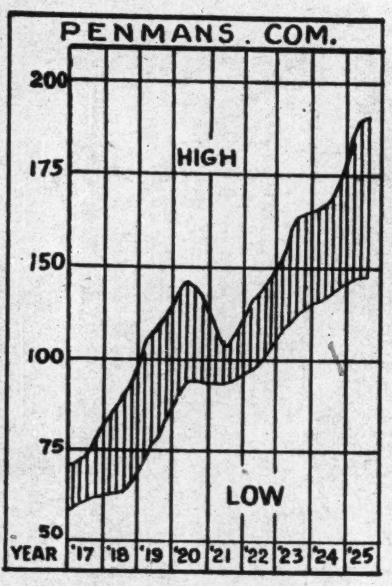
General Manager and Secretary-Treasurer
John Lowe

THE MONTREAL COTTONS LIMITED

Sales Offices: Montreal - Toronto - Winnipeg - Vancouver

Penmans Limited

Considerable Improvement Being Experienced and Stock Market is Discounting a Better Report for 1925—Common Share Split Still Talked of



Penmans, Ltd., manufactures knit goods, both woollen and cotton. Mills are situated at Paris, Brantford, Waterford, Almonte, London, and St. Hyacinthe and Coaticook, Quebec. During the year 1924 earnings fell off considerably, but this year the earnings, in so far as they can be anticipated, should prove much more satisfactory to the shareholders. It is understood that the company has been running easily 25 per cent. in excess of 1924 and that an all round improvement has taken place in all departments. There has been a marked betterment in the demand from Western Canada and the East has responded fairly well also. Under these conditions, it is anticipated that the usual bonus of 2 per cent. will again be declared for the year. The stock market has been recording favorable developments with the price moving up to 185 as compared with a previous high of 165½ in 1923. Possibilities of the shares being split have been discussed for some time and at the present market price there would seem more justification than ever for such a step on the part of the directors.

The annual report of the company covering the year 1924 showed that the volume of business was considerably curtailed during that period, sales of $5,314,107 comparing with $6,847,877 in the previous year and showing a decrease of 22.40 per cent. Part of this decline was accounted for by lower prices and the falling off in actual volume was not so serious as the figures indicate, but there was very keen competition experienced and difficulty in securing the volume of orders which permit of operating the mills to the best advantage. The directors pointed out that although the bonus of 2 per cent. making a total of 10 per cent. on the common stock was being paid for the year this was hardly warranted by the results and was only justified by the reserves built up under the conservative policy followed in previous years.

In common with other textile manufacturers in Canada, Penmans has had to face keen competition from British manufacturers. More favorable treatment for the textile industries under a stronger protective tariff has been urged, and there was a feeling that a change of government as the result of the recent election would be advantageous to these companies. This was indicated in the action of the stock market at the time. However, although the King administration is still holding office, there was in the vote an indication of stronger public support for protection, and this, together with the improvement in business is no doubt responsible for the continued strength of textile securities.

The company is in a very strong financial position as indicated by the statement of the president in regard to the dividend policy. Current assets in the 1924 report were some fourteen times as great as the current liabilities. The funded debt of $2,000,000 is due in November, 1926, and the bonds could be paid off and still leave a balance of working capital of over $1,500,000 which would still be about six times the amount of current liabilities.

The company's strong finacial position is to some extent due to large profits made during the war and the conservative policy followed in regard to distribution. A record of as high as 35 per cent. on the common shares was made. During the period of readjustment business suffered and the showing for 1921 was only 2.35 per cent. on the junior shares. In 1922 the showing was 17.07 per cent. and in 1923 17.13 per cent., while in 1924 there was a decline to 13.34 per cent. from which it is anticipated that there will be considerable recovery shown by the 1925 figures.

Capitalization—

	Authorized	Outstanding
Common	$2,500,000	$2,150,600
Preferred	1,500,000	1,075,000
Shares $100 each.		
Funded Debt—		
First mortgage bonds, 5 per cent. due 1926	$2,000,000	$2,000,000

Dividend Record—
Common 8 per cent. per annum, payable quarterly, Feb., May, Aug. and Nov. Increased from 4 per cent. to 6 per cent. Feb.. 1918; increased to 7 per cent. Feb., 1919; increased to 8 per cent. Feb., 1920. Bonus of 1 per cent. was paid Feb., 1916 and 1917; Feb. and May, 1918; 2 per cent. paid Feb., 1920, 1921, 1923, 1924 and 1925.
Preferred 6 per cent. per annum, payable quarterly, Feb., May, Aug. and Nov.

Officers and Directors—
Sir Charles B. Gordon, G.B.E., president, R. B. Morrice, vice-pres., J. P. Black, H. B. MacDougall, V. E. Mitchell, K.C., D.C.L., Wm. McMaster, J. N. Laing, G. W. Grier, I. Bonner, H. Barrett, gen. mgr., C. B. Robinson, sec.-treas.

Profit and Loss—

	1923	1924
Profits	$ 751,002	$ 570,078
Bond interest	100,000	100,000
Depreciation	100,000	50,000
Taxes	50,000	25,000
Off machinery	41,583	18,838
Bad debts	26,468	24,867
	318,051	218,705
Net earnings	432,951	351,373
Pref. dividends	64,500	64,500
Com. dividends	172,048	172,048
Com. bonus	43,012	43,012
Surplus	153,391	71,813
Prev. surplus	1,076,065	1,229,454
Balance	1,229,456	1,301,267
Earning Rate—		
Per cent. on com.	17.13	13.34
Per cent. on pref.	40.28	32.68

Eight Years' Earnings—

Year End Dec. 31.	Earnings	Dividends	Surplus
1917 ..	$1,671,105	$ 172,030	$ 807,867
1918 ..	1,953,643	225,795	850,167
1919 ..	2,178,141	209,665	1,004,269
1920 ..	460,305	275,183	1,045,391
1921 ..	223,885	279,560	880,881
1922 ..	731,434	236,548	1,076,065
1923 ..	751,002	279,560	1,229,454
1924 ..	570,078	279,560	1,301,267

Market Record—

	1923		1924		1925	
	H	L	H	L	H	L
Com.	165½	123	165	134	185	144
Pref.	99¼	92	101	92	105⅝	99
Bonds	97	93¾	99⅝	95	99½	98

Belding-Corticelli

Sales During the Past Year Have Shown But Small Variation With 1924—Gross and Net Earnings Will be on a Par With Last Statement

Belding-Corticelli's chief business is the weaving of silk. Its output consists mainly of yarns, threads and ribbons, made from real or artificial silk, and also braids, tapes and laces made from cotton—in all an extremely diversified line, which necessarily makes for a certain stability in sales; should fashions change and sales in one line dwindle, other goods in turn pick up. Through the acquisition of the Hosiery Corporation of Canada, this autumn, the company is now manufacturing silk hose. This is turned out in its Montreal plant, to which was transferred the machinery of the acquired company.

Sales for the year ending November 30, 1925, have been much about the same level as during the preceding year. Foreign competition is exceptionally keen in woven silks—this is the chief output of the company.

Although sales during the past twelve months have been much the same as in preceding years, yet the fact that the company has not had to contend with a drop in the price of raw silk, which handicapped its operations in the preceding year, should prove a favorable factor as far as earnings are concerned.

The company operates under excellent management, and, while the balance sheet shows a large goodwill account, the directors are pursuing a policy which assures that this asset will be drastically reduced from year to year. The company is in an excellent liquid condition.

During the three or four months in which it has been turning out silk hose, good sales have resulted for this product, which is a new line for the company.

The balance sheet, which will make its appearance shortly, will show both gross and net earnings to be but little changed from the results shown on the balance sheet of the preceding year.

Capitalization—	Authorized	Outstanding
Pref. 7% cum.	$1,650,000	$865,300
Common stock	850,000	749,500

Funded Debt—
First mortgage sinking fund 5 per cent. bonds due May 1, 1936; interest payable 1st May and November in Montreal and London $433,522

Dividend Record—
Preferred 7 per cent. payable 15th March, June, September and December; last of deferred dividends paid up on June 15, 1920, and regular dividend of 7 per cent. paid since then. Common—2 per cent. each paid Feb., 1924, Aug., 1924, and Jan., 1925.

Officers and Directors—
A. O. Dawson, pres.; Wm. McMaster, vice-pres.; C. A. Reynolds, general manager; A. Haig Sims, J. M. Mackie, Wm. Hanson, W. P. MacDougall, J. P. Kennedy, acting secretary.

Profit and Loss—
Year ending November 30.

	1923	1924
Profits	$279,801	$254,771
Tax written back	......	56,108
	279,801	310,879
Bond int. deprec.	114,608	114,178
Other charges	25,342	10,000
Pref. dividend	60,571	60,571
Com. dividend	14,990	29,980
Writ. off goodwill	....	248,328
Balance	64,291	*152,178
Prev balance	449,786	514,077
Prof. and loss bal.	514,077	361,899
Earning Rate—		
Per cent. on com.	10.58	9.34
Per cent. on pref.	16.14	15.09

* Deficit.

Eight Years' Earnings—

Year	Earnings	Dividends	Surplus
1917	$232,999	$120,458	$249,474
1918	278,732	121,142	287,812
1919	429,269	121,142	338,165
1920	262,152	90,856	363,565
1921	212,943	60,571	399,409
1922	250,478	60,571	449,786
1923	279,801	75,561	514,077
1924	254,771	90,551	361,899

Tooke Brothers

Affected by the Poor Conditions in the Men's Wear Trade

Originally established 55 years ago, Tooke Brothers has grown from a very small beginning to its present substantial size. The company is the largest manufacturer and importer of men's goods, including shirts, collars, neckwear, hosiery, underwear, etc., in the Dominion. It operates factories in Montreal, Quebec, and maintains branches, warehouses and salesrooms in many other cities throughout the country.

The company has three subsidiaries, which it controls through the ownership of all the stock: The Alliance Manufacturing Company, the Canadian Handkerchief Company, and the United Paper Box Company. At the present time, the company is over 25 per cent. in arrears with its preferred stock dividend payments. During the past three years the earnings have been steadily increasing and the company is in excellent liquid shape. Conditions in the men's wear trade have been very poor for the past few years, and, until some marked improvement is shown in this trade, it will be impossible to declare dividends. It is understood that the turnover during the past year was slightly lower, despite the increase in the earnings.

Last year the company changed the date of the close of its fiscal year from May 31 to June 30. Therefore, the profit and loss figures shown for 1924-25 cover a thirteen months' period.

Capitalization—

	Authorized	Outstanding
Common	$1,250,000	$650,000
Preferred	1,250,000	985,000

7 per cent. cumulative. Shares $100 ea.

Funded Debt—
First mortgage, 7 per cent. bonds,

Dividend Record—
Preferred dividends were regularly paid, March up to June, 1914; none thereafter until July, 1915, when 1¾ per cent. was paid; again deferred until July, 1916, when 3½ per cent. was paid; Oct., 1916, 1¾ per cent.; Dec., 1916, 1¾ per cent. and 1¾ per cent. on account of accumulated dividends; Mar., 1917, 1¾ per cent.; June, 1917, to Dec., 1921, inclusive, 1¾ per cent. each quarter; none since. In addition, 1¾ per cent. each on account of accumulated dividends was paid in July, 1917, and July, 1918, and 3½ per cent. in July, 1919. No dividends on common.

Officers and Directors—
W. A. Tooke, pres.; Col. C. W. MacLean, vice-pres.; W. S. Barker, sec.-treas.; N. A. Galt, C. W. MacLean, W. Hanson, W. M. Weir.

Profit and Loss—
Year end, May 31.

	1924	*1925
Net profits	$ 92,116	$100,824
Interest	23,637	25,045
Dep. on machy., etc.	17,539	18,786
Bond discount	1,750	1,750
Res. for income tax	4,576	5,298
Balance	44,614	49,945
Prev. balance	124,821	169,435
	169,435	219,380
Earning Rate—		
Per cent. on com.	....	....
Per cent. on pref.	4.53	5.07

* For 13 months ended June 30.

Eight Years' Earnings—

Year	Earnings	Dividends	Surplus
1918	$135,757	$ 86,188	$149,379
1919	152,310	86,188	200,501
1920	238,230	103,425	320,306
1921	93,524	68,950	344,881
1922	*58,681	34,475	102,572
1923	61,910	....	124,821
1924	92,117	....	169,434
1925	100,824	....	219,380

* Loss.

Market Record—

	1923		1924		1925	
	H	L	H	L	H	L
Com.	15	15	10	10	8	8
Pref.	65	65	40	38	62⅛	37

CANADIAN COTTON TEXTILE RECORD IS VERY REMARKABLE

(Continued from page 17)

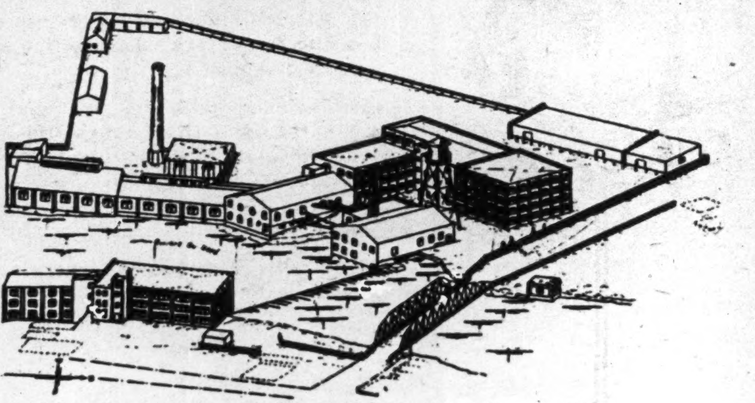
the position of the Canadian mills is that the last ten years has seen a wonderful improvement in the quality of the article being produced. To-day Canadian cotton goods can be marketed side by side with products of the American and British mills, and in this matter Canadian mills have something to be proud of. Further progress along these lines is deemed unnecessary, however, and the mills are no longer being urged by Canadian consumers to improve the quality of their product rather than increase the volume of productions. With the progress which has been made, it is felt that the Canadian industry has nothing to fear from foreign competition on a quality basis.

There follow the figures on this industry:

Number of plants	55
Capital invested	$88,631,621
Number of employees	20,316
Employees wages	$15,114,385
Power employed	76,346 h.p.
Cost of materials	$47,121,909
Value of products	$86,464,312
Value added by manufacture.....	$41,342,403

Twelve Years of Successful Expansion

Entirely Owned in This Country—Employing Over 600 Canadians



The Company's largest plant at St. Jerome, P.Q.

A Large Factor in a Vital Industry

ONE of the more important operators in the woollen knit goods field in Canada is the Regent Knitting Mills. This company in its financing and its operations is entirely Canadian and had its first beginnings in a small mill which began operations in Montreal in 1913.

Since that date, steady progress has been made and earnings year by year have proven the capabilities of the management who, even under adverse conditions, have been able to show satisfactory returns upon the capital invested.

From its three Canadian mills at St. Jerome, Montreal, P.Q., and Guelph, Ontario, the company produces worsted and woollen yarns, sweaters of all types, jersey cloth, artificial silk cloth and an almost complete production in the knit goods field, excluding products such as hosiery or underwear; the quality of this output has steadily grown in public favour—to-day the company's products are in demand from coast to coast.

At the date of its inception the company employed but thirty workers; now its employees are considerably in excess of 600. At first the workshops covered an area of 15,000 square feet, to-day this has grown to over 200,000 feet. Its plants are among the largest and best arranged in Canada. Another indication of this virile growth is obtained from the production of sweaters which in 1913 amounted to 25 dozen daily but which now total well over 400 dozen. Production in the first year or two amounted to barely $110,000 but during the last fiscal year was near the $2,000,000 mark.

The company buys annually 1,000,000 pounds of wool and wool tops from Australia, Argentine and Bradford and has its purchasing agents in those countries.

The founders are the present principal shareholders, so that it still has the benefit of the same guidance which in twelve years has turned a small company into one of the larger factors in this industry.

Selling offices are maintained in New Zealand, British Columbia, Winnipeg, Toronto and Newfoundland.

Officers and Directors

C. G. DE TONNANCOUR
President
J. F. LEMIEUX
Vice-President
L. MARCOUX
Managing-Director
J. F. BOULAIS

Subsidiary Companies

The Regent Textiles, Limited, is a cotton spinning plant situated at Guelph, Ontario. The parent company owns the majority of the outstanding stock. In addition, the parent organization owns a large portion of the stock of the Regent Knitting Corporation situated at Syracuse, N.Y. Both subsidiaries have been in successful operation since their inception.

Regent Knitting Mills
LIMITED
Head Office - Montreal, P.Q.
Mills: Montreal, P.Q. St. Jerome, P.Q. Guelph, Ont. Syracuse, N.Y.

"An Industrial Romance"

Courtaulds Limited
The World's Largest Producers of
—RAYON—
And Controlling the Viscose Company of America

¶ Rayon (artificial silk) has had a wonderful development and today is used in greater quantities than Real Silk.

¶ Further information on the growth of the use of Rayon and Courtaulds Limited is contained in a circular which may be had on request from:

Apex Securities Company
LIMITED
212 McGill Street - MONTREAL

Toronto Carpet Company

A Canadian Company Which Has Taken a Prominent Place in a World Industry — Plant Establishes in United States, and Signal Success Has Been Scored

The Toronto Carpet Manufacturing Company, founded in 1891, is now the largest manufacturer of rugs and carpets in Canada. Its main plant ocupies an entire city block in Toronto. In addition to the plant devoted to the manufacture of carpets the company owns or controls subsidiaries manufacturing woollen cloth, flannel, yarns, etc., together with a subsidiary company in Philadelphia for the manufacture of carpets for the United States market.

For many years the Ingrain and Smyrna fabrics were the sole product of the company, but the demand for Brussels and Wiltons became insistent, and believing that a Canadian made line of these goods would be favored by the Canadian people, the company erected a large new mill, being the first of a high standard of mill buildings which is now in extensive use throughout the Dominion. This building was completed in 1904, and in it was housed the newly purchased plant of Brussels and Wilton looms. In addition to quality, a high standard of pattern and color effects was maintained, and these lines found ready favor. Since that time the growth has been steady. A worsted spinning department was established, storing and shipping facilities enlarged, and in every possible way the carpet plant was kept efficient to the highest degree, particular care at all times being paid to the tastes and requirements of the Canadian trade in so far as pattern and color were concerned.

At the present time the buildings cover one and a half city blocks, with approximately 435,000 square feet of manufacturing floor space, and one of the most up-to-date steam plants in Canada. All machinery is electrically driven, 900 h.p. of electricity being obtained from the Hydro Electric System and 450 h.p. generated in the plant. The product of the carpet looms is nationally advertised under the name "Barrymore Guaranteed Rugs," and the output is identified by means of a specially designed label attached to each rug and bearing the firm's guarantee of perfection.

They now have 138 Brussels and Wilton looms, 50 Axminster looms, 20 ingrain and novelty looms, 22 weft looms, 130 broad cloth looms, 21 sets of woollen cards, 22 mules and 22 worsted spinning frames, together with two complete dye house and finishing plants.

The companies employ over one thousand persons, producing two and a half million yards of carpets and cloth per annum, and consuming 3,500,000 lbs. of wool and tops, 750,000 lbs. of cotton yarns, 100,000 lbs. of linen yarns and 800,000 lbs. of jute yarns, distributing a million dollars per annum in wages and operating as part of the whole, the following departments, each in itself a small industry, namely: Wool carding, wool spinning, worsted spinning, dyeing, designing, cloth and carpet weaving, cloth and carpet finishing, with the necessary complete equipment of electrical, carpenter and machine shops.

The products of the carpet plant are Wilton and Brussels carpets, squares, mats and runners (including high grade seamless Wilton carpets and runners up to 9 feet wide), Axminster carpets, squares and runners, Smyrna rugs, novelty and chenille rugs and ingrain carpets and art rugs.

As an extension of their cloth business, the company own and operate the Campbellford Cloth Company, Ltd., Campbellford, Ont., at which place they employ about 250 workers and operate 106 looms producing about 1,000,000 yards of cloth per annum.

The industry is purely Canadian, as its history will indicate, and its settled policy is to study and cater to the Canadian trade and consumers. In 1921, however, to enlarge their market, the company established in Philadelphia, the Barrymore Seamless Wiltons, Inc., the first company in America manufacturing wide seamless rugs on the Wilton principle. Starting with 10 looms in 1921, the Barrymore Seamless Wiltons, Inc., now operates in Philadelphia a plant of 50 looms, and has installed a complete carding, combing, and spinning mill and dyehouse to supply their own requirements. They are now operating, therefore, the complete processes from the raw wool, through the combing, spinning and dyeing to the weaving of high grade seamless Wilton carpets.

The Barrymore Seamless Wiltons, Inc., employs in its carpet and worsted yarn mills at Philadelphia, about 325 employees, with an output of 400,000 yards of Wilton carpet and 1,000,000 lbs. of worsted yarn per annum.

While the company has $1,000,000 of common stock and $730,300 of preferred stock, public investment interest centres in an issue of 6 per cent. 20-year bonds issued in July, 1924, to the extent of $1,000,000. The bonds are a first mortgage on all real property of the company and cannot be increased beyond 60 per cent. of the actual cost of additional property acquired or constructed after March, 1924, and then only when the company has shown net earnings for the preceding year of not less than twice bond interest requirements of all bonds outstanding, including those of the new issue. The company is obligated to keep a surplus of current assets over current liabilities of at least $500,000. In the event of any further bonds being issued, such surplus shall never be less than 50 per cent. of all bonds at any time outstanding.

The company's fixed assets as appraised amount to $2,180,110, or over twice the amount of the bond issue. In addition, the company's statement as at December 31, 1923, after providing for the proceeds of the bond issue show net current assets of $3,263,806, total net assets after deducting all current liabilities were shown at $5,445.016.

In connection with the bond issue, a statement was made by F. B. Hayes, president, that the average annual earnings for the past six years available for bond interest amounted to $436,106. For thirty-two years the company has paid stock dividends regularly. The present rate is eight per cent. on both preferred and common shares.

Capitalization—

	Authorized	Outstanding
Common	$1,000,000	$1,000,000
Preferred	1,000,000	730,300

8 per cent. non-cumulative.

Funded Debt—

First mortgage. 6 per cent. bonds, due 1944	$5,000,000	$1,000,000

Dividend Record—

Dividends on preferred paid regularly; on common also at rate of 8 per cent. per annum since incorporation in 1891. Payments on both classes quarterly, Jan., Apr., July and Oct. 1.

Officers and Directors—

F. B. Hayes, pres. and gen. mgr.; G. D. Perry, vice-pres.; C. V. Harding, vice-pres. and asst. gen. mgr.; S. J. Cragg, sec. and treas.; G. H. Muntry, B. B. Hayes, D. L. Sykes.

Financial Position—

Total assets as at Sept. 30, 1924, were $5,509,344, and surplus $873,159, against $732,998 in the previous year.

BARRYMORE CLOTH

(Controlled by the Toronto Carpet Mfg.)

Capitalization—

	Authorized	Outstanding
Common	$600,000	$550,000
Pref. 8 per cent.	400,000	382,300

All issued common stock is owned by the Toronto Carpet Mfg.

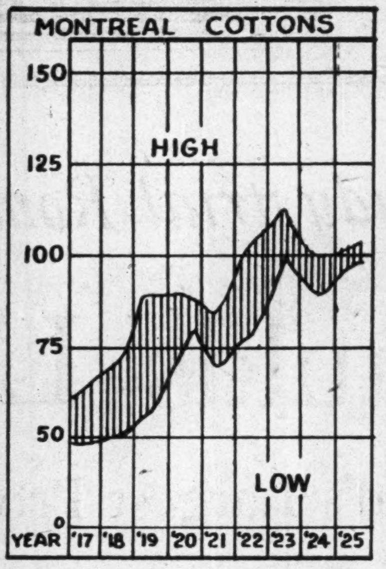
Dividend Record—

Dividends on preferred have been regularly paid since incorporation in 1917. Total assets as at Sept. 30, 1924, were $1,893,102, and surplus $116,790.

Montreal Cottons

An Old Established Company, Capably Managed, Which Has Made Steady Progress

Montreal Cottons, Ltd., although technically incorporated in 1911, really extends back to the first decade of Confederation. The Montreal Cotton Company, which is, to all intents and purposes, the same organization, had accumulated a large surplus, and, in order that it might be divided among the shareholders, a new company was formed and the shareholders given an exchange for each share, one share of preferred and one share of common in the new; that is, the present company.



Since 1911 the new company has paid dividends of 7 per cent. on its preferred stock. Dividends on the common stock were initiated in 1912 at the rate of 4 per cent., this rate being maintained until the middle of 1919, when it was changed to 5 per cent. In 1920 it was increased to 6 per cent., and this is still being maintained.

All operations are carried out by its subsidiary, the Montreal Cotton Company, in which the parent company owns practically all the stock. It was only in 1924 that the annual report was for the first time incorporated with that of it subsidiary, the Montreal Cotton Company.

The mills are located in Valleyfield, Quebec, where also is the company's head office, but the annual meetings are usually held in Montreal. The mills contain 200,000 spindles and 5,000 looms, which have a daily capacity of 2,500 pieces of 25 yards, and a weekly production of 160,000 lbs. The business consists of the spinning, weaving, dyeing, bleaching and finishing cotton textiles. It is under exceptionally capable management and has made steady progress.

The output consists largely of piece dyed materials, although some artificial silk and cotton mixtures are produced. Results for the current year are understood to show an improvement over 1924.

Operating at Capacity

The company has been operating practically at capacity during the whole of the past year. Sales, due to the more expensive fabrics which the company is manufacturing. show an increase in value over last year. The fiscal year ends December 31 and it is understood that the earnings will show an increase over 1924.

Montreal Cottons sells only to the wholesale trade, and during the past fifteen years it has been steadily widening its output. The company's mills can compete with lines manufactured anywhere; its export trade with Australia indicates this. The past year has seen an increased use of rayon by the company, both in combination with cotton yarns and also in fabrics made entirely from this new textile.

Capitalization—

	Authorized	Outstanding
Common	$5,000,000	$3,000,000
Preferred	5,000,000	3,000,000

7 per cent. cumulative. No voting power.

Funded Debt—

First mortgage 5 per cent. bonds of Montreal Cottons due Nov. 1, 1943, $604,928.

Dividend Record—

Preferred paid regularly quarterly. Common 6 per cent. per annum. Increased from 4 to 5 per cent. Sept., 1919; increased to 6 per cent. March, 1920.

Officers and Directors—

Sir C. Gordon, pres., Sir H. Holt, vice-pres., F. G. Daniels, Hon. R. Dandurand, Lt.-Col. A. Hamilton Gault, Wm. Finley, J. B. Black, F. W. Molson, John Lowe, gen. mgr. and sec.-treas.

Profit and Loss—

	1923	1924
Manuf. profits	$ 405,114	$ 275,631
Int. from invest.	130,438	176,402
	535,552	452,033
Bond interest	30,003	30,003
Bad debts	15,108	326
Profits tax	37,599	5,647
Pref. dividend	210,000	210,000
Com. dividend	180,000	180,000
Balance	62,842	26,057
Prev. balance	4,055,814	1,118,655
	4,118,656	1,144,712

Earning Rate—

Per cent. on com.	8.09	6.86
Per cent. on pref	15.09	13.86

Eight Years' Earnings—

Year Dec. 31.	Earnings	Dividends	Surplus
1917 ..	$ 496,607	$330,000	$2,331,208
1918 ..	720,649	330,000	2,420,383
1919 ..	1,014,204	345,000	2,771,603
1920 ..	808,814	390,000	3,089,141
1921 ..	480,718	390,000	3,268,542
1922 ..	534,442	390,000	4,055,814
1923 ..	535,552	390,000	4,118,656
1924 ..	452,033	390,000	*1,144,712

* Surplus shows a drop of $3,000,000 due to the fact that in previous balance sheets $3,000,000 preferred shares were not shown in liabilities.

Market Record—

	1923		1924		1925	
	H	L	H	L	H	L
Com.	114¼	100	100	89½	105	95
Pref.	110	104½	107¼	104	117½	109
Bonds	89½	84½	94	89	..	..

Regent Knitting

Earnings About 1924 Level—Last Six Months' Earnings Have Moved Up

Although handicapped by a substantial drop in its sales during the first six months of the present year, the Regent Knitting Mills has since been able to more than offset the poorer business at the beginning of 1925 and sales for the year will be slightly in excess of the 1924 total.

During the first part of 1925 the raw wool market was subject to wide variations; this adversely affected all the woollen producers in Canada, and the Regent Knitting Mills was naturally no exception to the rule. However, earnings have not been affected as much as might have been expected and profits for the current year will only be fractionally lower than in 1924.

The raw wool market has become more stabilized; this coupled with the better crops in the West, and other advantageous factors, lead the management to believe that the 1926 outlook is more than decidedly bright, and they are expecting a banner year.

The investment interest in the company lies in its bond issue which was made in 1923. As far as the investor in these bonds is concerned, possibly one of the most pleasing features of the company's progress is the steadily increasing amount of earnings which have been ploughed back into its financial structure in the shape of depreciation reserves. The surplus account also shows a healthy growth. At the end of 1922 the depreciation reserves plus the surplus account totalled $520,858. At the end of 1924 this figure amounted to $910,617.

The company had its inception in a small mill which first began operations in Montreal in 1913. To-day it owns plants in St. Jerome, Montreal, P. Q., and Guelph, Ontario. The latter plant is operated as a subsidiary under the name of the Regent Textiles, Limited. In addition the company owns a considerable portion of the stock of the Regent Knitting Corporation which is situated in Syracuse, N. Y. These plants are modern in every respect.

The output consists of practically a complete production in the knit-goods field with the exception of such products as hosiery and underwear. The company's products find a good market in Canada, and some export business is done with New Zealand. The total business for the current year will be close to $2,000,000.

The company employs some 700 hands.

Capitalization—	Authorized	Outstanding
Stock	$1,200,000	$1,041,600
Funded Debt—		
First mortgage, 6% bonds	600,000	600,000

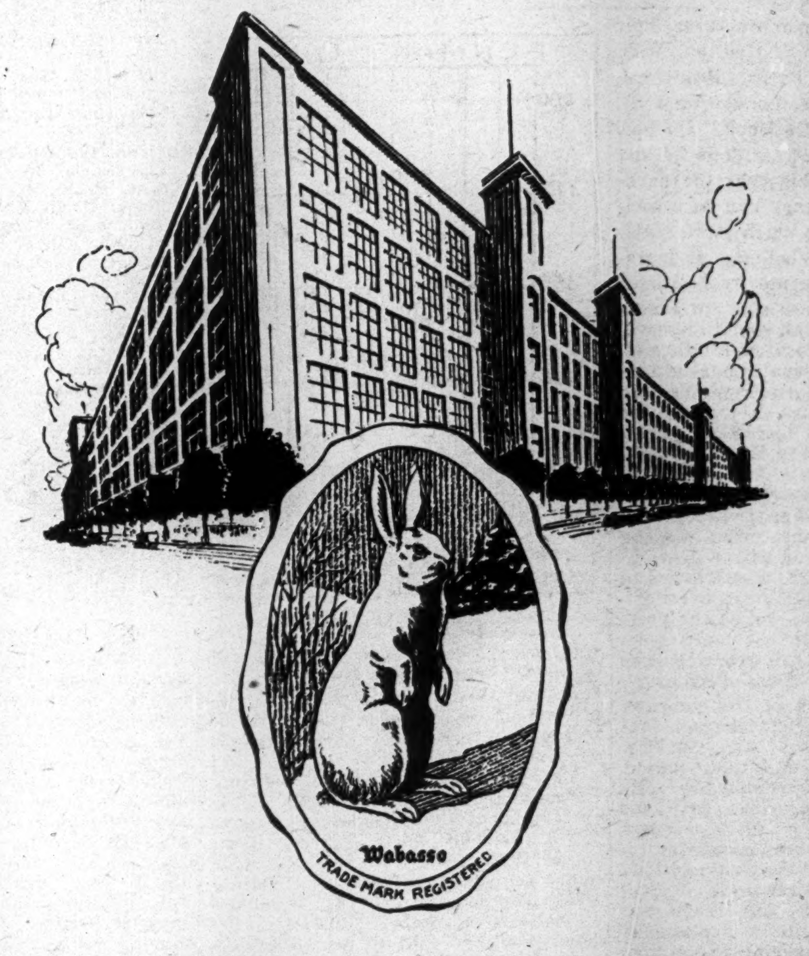
Officers and Directors—

C. G. de Tonnancour, pres.; J. F. Lemieux, vice-pres., L. Marcoux, man. dir.; J. F. Boulais, L. C. Parenteau, C. A., sec.-treas.

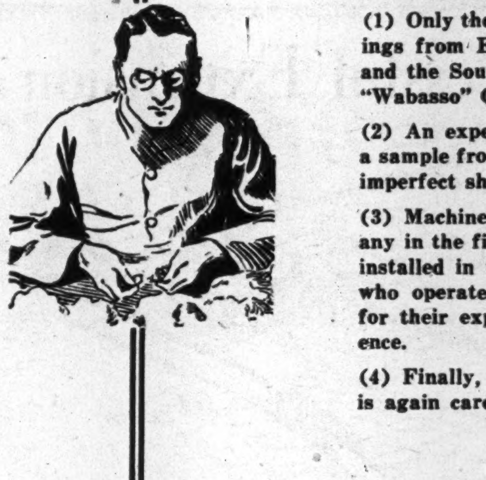
Profit and Loss—

	1923	1924
Sales	$1,816,226	$1,801,940
Misc. earnings	16,410	26,389
	1,832,636	1,828,329
Mfg. expenses, etc	1,313,989	1,303,139
Selling expenses	156,090	207,020
Written off	55,508	32,347
Interest	87,032	90,063
Res. for depreciation	81,168	75,177
	1,693,787	1,707,186
Profit	138,849	121,143
Plant and mchy.	1,063,094	1,133,782
Res. for deprec.	379,104	454,281
Surplus	345,009	456,336

"Good as Gold, White as Snow,"—WABASSO



An Outstanding Canadian Industry



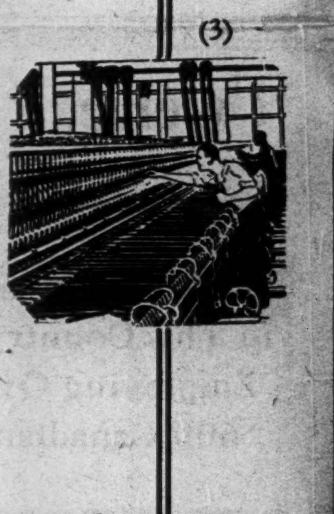
THE various phases in the production of Wabasso Cotton Fabrics are of interest:

(1) Only the highest-priced choice pickings from Egypt, the Southern States and the South Sea Islands are used in "Wabasso" Cottons.

(2) An expert Cotton Classer inspects a sample from every bale, rejecting any imperfect shipments.

(3) Machines which are the equal of any in the finest Old Country Mills are installed in the Wabasso Plant. Those who operate the machines are chosen for their expert skill and long experience.

(4) Finally, after weaving, every yard is again carefully examined.



CANADIANS point with justifiable pride to the achievement of The Wabasso Cotton Company, Limited. For here is an organization whose products rank with the best in the world, even with those of the finest Lancashire Mills.

This Industry comprises more than 2,000 operatives of long experience, working in a huge daylight "factory of a thousand windows," equipped with the most-up-to-the-minute machinery—including 100,000 spindles and 2,000 looms.

Every unit in the organization works to the common ideal of making Wabasso Cottons equal to any the world knows — an effort which has found its reward in the huge and ever-increasing demand throughout the length and breadth of the Dominion.

Wabasso Cotton Fabrics include Cambrics, Longcloths, Broadcloths, Sheetings, Piques, Repps, Circular Pillow Cottons, Plain and Hemstitched Sheets and Pillow Cases.

Wabasso Cottons
are Canada's best

THE WABASSO COTTON COMPANY, LIMITED, THREE RIVERS, P.Q.

Wabasso Cotton Company

A Record of Gradual Expansion Since 1907—Main Plant Produces Some of Canada's Finest Cotton Textiles—Adding New Lines—Its Business on the Up-Grade

Wabasso Cotton Company owns practically all the common stock of the following concerns: The St. Maurice Valley Cotton Mills, the Shawinigan Cotton Company, and the Oxford Knitting Company. The St. Maurice Valley Cotton Mills is simply an extension of the old Wabasso plant, whilst the other two companies produce hosiery, knitting yarns, etc., and are situated at Shawinigan Falls, Quebec, and Woodstock, Ontario, respectively. The stock of the Oxford Knitting is all held by the Shawinigan Cotton Company, and the Wabasso owns over 90 per cent. of the Shawinigan Cotton common stock. The company's plant at Three Rivers operates some 1,500 looms, and is constructed on the most modern lines and equipped with the best machinery possible. As a consequence, the product is well and favorably known to the trade and to the public.

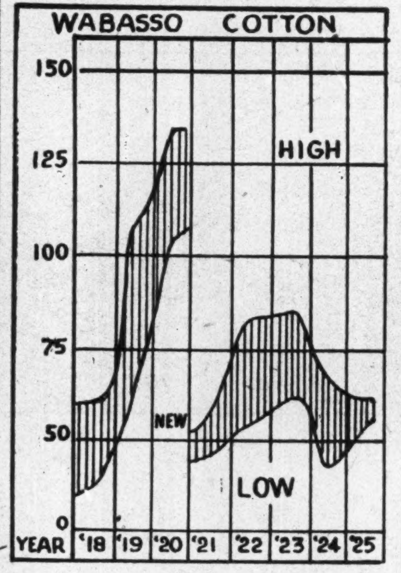
Its output consists of fine cotton, lawns, nainsooks and cambrics, and until 1925 it produced nothing but fine weaves in white goods. This year, however, several colored lines were added.

The production from its Shawinigan and Woodstock mills consists of hosiery and knitting yarn, as well as knit goods both for men's and women's wear.

Earnings in 1924 took a drop, but the balance sheet for the past fiscal year shows that business is once again on the up-grade. Earnings to date for the present year are understood to show an improvement over the past year.

The company was first incorporated under Dominion charter in 1907 for the purpose of securing for Canada part of the trade in fine white cotton piece goods, cambrics and yarns, until then entirely imported from abroad. A mill was constructed at Three Rivers, Que., on the lines of the most modern Lancashire Mills, the supplying of machinery being confided to Platt Bros. and Co., of Oldham, England, recognized as the standard cotton machine builders of the world. In 1912 the company purchased all the capital stock of the St. Maurice Valley Cotton Mills, Ltd., also of Three Rivers, which is run as a separate unit. These two plants are the only complete Platt mills on the American continent.

In 1916 the company further expanded by acquiring over ninety per cent. of the stock of the Shawinigan Cotton Company, which operates mills situated in Shawinigan Falls, Que., producing hosiery, knitting yarn and knit goods. The latter company in turn controls the Oxford Knitting Mills, of Woodstock, Ont. Further extensions have been effected which will largely increase the capacity of the company.



Capitalization—

	Authorized	Outstanding
Capital stock (No par value).	35,000 shs.	35,000 shs.

Funded Debt—

First mortgage 6 per cent. bonds, due 1947	$1,000,000	$831,000
Sinking fund, 7 per cent. bonds, due 1942	750,000	700,500

Dividend Record—

Initial dividend of 2½ per cent., covering two quarters, was paid July, 1918; Oct., 1918; 1¼ per cent. Jan., Apr. and July, 1919, 1½ per cent. each; Oct., 1919, 2 per cent., which quarterly rate was maintained until Oct., 1920; Jan., 1921, to date $1 per share quarterly on shares of no par value.

Officers and Directors—

C. R. Whitehead, pres. and gen. mgr.; J. W. Pyke, vice-pres.; R. N. Ball; W. G. E. Aird, manager; W. I. Gear, Hugh MacKay, K.C.. Wm. Harty, Jr., J. R. Ritchie, sec.-treas.

Profit and Loss—

Year end; June 30.	1924	1925
Oper. profits	$265,193	$285,749
Int. on invest.	96,644	90,318
	361,838	376,067
Depreciation	100,000	100,000
Bond interest	103,685	100,092
Sinking fund	15,000	17,240
Net profits	143,153	158,735
Dividends	140,000	140,000
Surplus	3,153	18.735
Prev. surplus	613,110	616,263
Balance	616,263	634,998
Earn. rate,%	4.09	4.53

Eight Years' Earnings—

Year End, June 30.	Earnings	Dividends	Surplus
1918	$515,868	$ 43,750	$580,347
1919	477,551	100,625	603,263
1920	489,425	140,000	299,279
1921	435,913	140,000	442,381
1922	396,014	140,000	546,156
1923	416,877	140,000	613,111
1924	361,837	140,000	616,163
1925	376,067	140,000	634,998

Market Record—

	1923		1924		1925	
	H	L	H	L	H	L
Com.	81⅛	65	72	47	66½	55
Bonds	96⅜	90¾	96⅛	90	98⅝	92

St. Maurice Valley

(Controlled by Wabasso Co.)

Capitalization—

	Authorized	Outstanding
Capital	$1,250,000	$1,250,000

(Stock all held by the Wabasso Cotton Company.)

Funded Debt—

First mortgage, 6 per cent. bonds, due 1952	2,500,000	2,289,800

Officers and Directors—

C. R. Whitehead, pres., R. N. Ball, W. G. E. Aird, J. W. Pyke, Hugh MacKay, K.C., J. R. Ritchie, sec.-treas.

Oxford Knitting

(Controlled by Wabasso Co.)

Capitalization—

	Authorized	Outstanding
Capital	$50,000	$50,000

Shawinigan Cotton

(Controlled by Wabasso Co.)

Capitalization—

	Authorized	Outstanding
Cap. stock	$1,000,000	$1,000,000

The Wabasso Cotton Co. owns $945,050 of the outstanding stock.

Funded Debt—

First gold bonds 6 per cent., due 1949, $909,500, of which amount $193,000 are owned by Wabasso Cotton.

Dividend Record—

None.

Profit and Loss—

Year ending June 30.	1923	1924
Manuf. profits	$61,503	$126,112
Bond interest	57,397	56,228
Depreciation	40,709	60,709
Expenses, etc.	4,479	4,479
Surplus for year	*41,082	4,696

* Deficit.

Bruck Silk Mills

The Bruck Silk Mills was first incorporated in December, 1921. It is situated at Cowansville, P. Q., and is a modern plant producing only silks. This company is the only organization in Canada to produce finished silk goods from the raw material in its own establishment. Its raw materials consist of pure silk and artificial silk, and its output woven silk piece goods.

The demand for its products since its inception has been excellent, with the result that the plant has been in continuous operation 24 hours a day since the start. The mill property at Cowansville consists of some 16 acres of land on which there are erected ten buildings. From this plant the company exports part of its production to other British possessions. Public interest in the company lies in an issue of 6½ per cent. first mortgage bonds which were put out within recent weeks. Since that financing was accomplished, it has begun to carry out its plans for expansion which should result in increased earnings in the future. Since the company's inception, the earnings have been in excess of three times the interest requirements of its bond issue, and it is expected that this ratio will be further increased.

Cosmos Imperial

With Assured Market for Products Company Benefits From Drop in Cotton

The Cosmos Imperial Mills, with plants at Hamilton, Ont., and Yarmouth, N. S., produces heavier grades of duck used for paper dryers, mechanical belting, hose, binder canvases, car tops, etc. These products are sold mainly on contract to large consumers — manufacturers, railways and paper makers. Business with the company is reported to be in very satisfactory condition. Recently there has been a drop in the price of the raw material, and as the company merely buys for its current requirements this is a decided advantage. The general prosperity of the company is indicated in the fact that the bonds outstanding which were issued a little over a year ago are commanding a price of two to three points above the issue price.

Being a manufacturer of products which are largely the raw materials of other manufacturers, the Cosmos Imperial Company is not faced with a complex marketing problem. Its system of distribution is simple, and its losses through bad accounts have been exceedingly small. The company's bond issue is for $1,000,000. At the time it was made it was stated that for the preceding eight years, 1916 to 1923, annual net earnings averaged $315,846, or over 4.85 times bond interest requirements. For the year December 31, 1923, the earnings were $354,171, which is 5.44 times bond interest requirements. A statement issued at June 30 last indicated an improved position as compared with October 24, 1924. Working capital increased from $1,091,728 to $1,389,770. Surplus increased by $181,778 to $395.877. Total assets were shown at $3,590,306, of which current assets amounted to $1,443,974.

Capitalization—

	Authorized	Outstanding
Common	$2,000,000	$2,000,000

Funded Debt—

First mortgage 6½ per cent. bonds, due 1944 ..	$1,000,000	$1,000,000

Officers and Directors—

S. H. Greene, pres., A. V. Young, vice-pres., W. S. Burrill, vice-pres. and gen. mgr., J. J. McGill, F. R. Greene, J. E. Rousmaniere, A. E. Ames, J. H. Killam, G. H. Allen.

Financial Position—

Fixed assets as at June 30, 1924, were $2,112,438, and total assets $3,350,636.

Canadian Connecticut

Handicapped by Unused Plant, But Shows Slight Improvement

Canadian-Connecticut Cotton Mills was first started in 1913 to supply Canadian tire manufacturers with fabrics made in Canada, the demand for which had heretofore been met by importations from the United States. The company's entire output is sold to the leading Canadian tire manufacturers. The group which started and still controls this company has also controlled for many years Connecticut Mills Company, a Massachusetts corporation, one of the largest manufacturers of tire fabrics in the United States. The organization is headed by men who have had long experience in the textile industry. The investment interest in the company lies in its 8 per cent. cumulative participating preferred shares.

The plant is located at Sherbrooke, Quebec. During the expansion period, the company built a large new plant adjoining its old one, which, while it has not been lying idle, has not been anything like fully utilized, due to the general over-expansion in the tire industry in Canada. This new plant will never—at any rate, for a long time—be fully occupied. Indeed, it is not equipped with machinery to any extent. The partial use only of the new plant has been one of the problems with which the management has had to cope. The solution lies in obtaining another industry in Sherbrooke which would occupy the unusued portion of the new building, or which would take over the old plant and allow the company to move its equipment into the new one. It is felt that with the improved business conditions in Canada, another industry may be found which will take the plant out of the hands of the Canadian-Connecticut Cottons. Last March, due to unsatisfactory business conditions, the preferred dividend was cut in half; a 4 per cent. basis. It is at present some 11 per cent. in arrears on its dividend.

Due to the exceptionally strong cash position of this company, it is in a position to reap to the full any benefits which may accrue through an improvement in this branch of the textile industry. During the past year, business for the company has been better. In 1924, the preferred dividends were paid, but not earned. During the past fiscal year, the volume of business done was much larger, but profits were not sufficient to show earnings; the balance sheet, which was published recently showed a deficit, but it was a material reduction from that shown last year. The company's fiscal year ends during the month of September.

The actual increase in the amount of goods manufactured during the past year amounted to almost 70 per cent., but, like the other tire fabric manufacturers in Canada, the company is now reaping the rewards of over-expansion in this industry during the war years; none of the three companies engaged in this trade is in a position to turn down any orders, no matter how low the price.

When the company can sell or put to some profitable use its new plant, better earnings may be expected. In the meantime, the orders which the company is receiving are large, but prices continue low.

Capitalization—	Authorized	Outstanding
Common "A"	$1,000,000	$1,000,000
Common "B"	500,000	500,000
Shares $10 each.		
Pref. 8% cum.	5,000,000	3,000,000

(Class "B" com. stock has no voting power.)

Funded Debt—

None.

Dividend Record—

Dividends on pref. paid regularly from Apr., 1920, to Apr., 1921; were resumed Feb., 1923, when 2 per cent. was paid; Apr., 1923, 2 per cent. and 2 per cent. quarterly thereafter to Jan., 1925; Apr., July and Oct., 1925, 1 per cent. each was paid. A dividend of 10 per cent. on the com. class "A" and "B" and a special dividend of ½ of 1 per cent. on the participating pref, were paid Aug., 1920. Also a 2 per cent. dividend on account of arrears was paid on pref. Nov., 1923, leaving 10 per cent. in arrears.

Officers and Directors—

S. R. Fuller, Jr., chairman of board, H. L. Burrage, pres., R. J. Caldwell, H. S. Davis, R. W. Elliott, S. W. Ewing, W. R. G. Holt, R. S. Jarvis, I. W. Killam, J. Lowe, W. J. K. Vanston, T. Wood, S. A. Duke, sec.

Profit and Loss—

	1923	1924
Gross profit	$ 695,075	$ 106,557
Selling exp., etc.	281,165	167,008
Net prof. fr. sales	413,910	*60,451
Income from inv.	75,616	84,804
Total income	489,526	24.353
Govt. taxes	48,419	......
Depreciation	....	173,861
Inventory adjust.	....	32,615
Net profit	441,107	*182,123
Pref. dividends	240,000	300,000
Surplus for year	201,107	*482,123
Prev. balance	1,000,382	1,262,668
	1,201,489	780,545
Adjustment	61,179	1,941
Prof. and loss bal.	1,262,668	782,486

* Deficit.

Market Record—

	1923		1924		1925	
	H	L	H	L	H	L
C. "A"	3	3	5	3½	1⅞	1⅞
Pref.	86¼	80	85¼	39	51⅛	39

Highest Medical Authorities Declare Newfoundland Cod Liver Oil the World's Finest in Vitamin Content

J. C. Drummond, D.Sc., F.I.C. of the British Government Research Council makes investigation into its merits

FOR many years the medicinal importance of Cod Liver Oil has been recognized by scientists, there being a demand for it ever since its first manufacture.

There has been a pretty general impression that Norwegian Cod Liver Oil excelled all others in quality.

The discovery of the importance of vitamins, however, has induced the world's foremost authorities, Dr. Drummond and Dr. Zilva, to make the closest investigation of the merits of the Newfoundland Cod Liver Oil, as compared with the Norwegian product, with highly flattering results to Newfoundland.

They found the Newfoundland Cod Liver Oil to be of the magnitude of 1.3-1.6 mg., that is an average potency as high as the most active Finmarken Oil, and higher than the average potency of the greater number of Lofoten Oils which they tested.

They attributed the wonderful uniformity of quality of the Newfoundland Oil to the shore fisheries which afford absolute freshness of the livers, the oil being prepared a few hours after the fish are caught.

Moreover much of the Norwegian Oil is from mixed catches, while the Newfoundland is exclusively Cod, summer caught while in the finest physical condition. These eminent scientists were gratified to find that the latest direct steam process is being used in Newfoundland in the thoroughly up-to-date plants at Harbor Grace, which are the finest in existence, and which insures the finest oil being extracted without loss of potency, the complete removal of "stearine" by chilling, and the storage in tin-lined barrels to preserve the flavor indefinitely under all climatic conditions.

Its manufacture is under the control of the Ministry of Marine and Fisheries which enforces uniform methods of preparation under the capable administration of Mr. Coaker, who also has been ably supported by the Newfoundland Board of Trade.

With these new important facts about Newfoundland Cod Liver Oil definitely established, great strides are anticipated for this industry which places it among the world's greatest health promoting products, and assured of tremendous future demand.

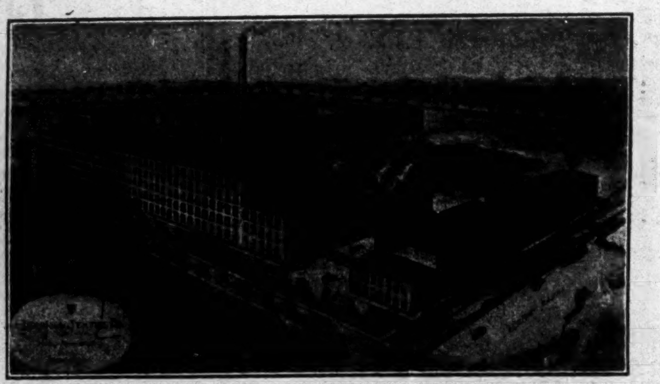
One Haul of 15,000 Cod Fish
Approximate Value $1,000

Production of Cod Liver Oil in Newfoundland to 30th June each year

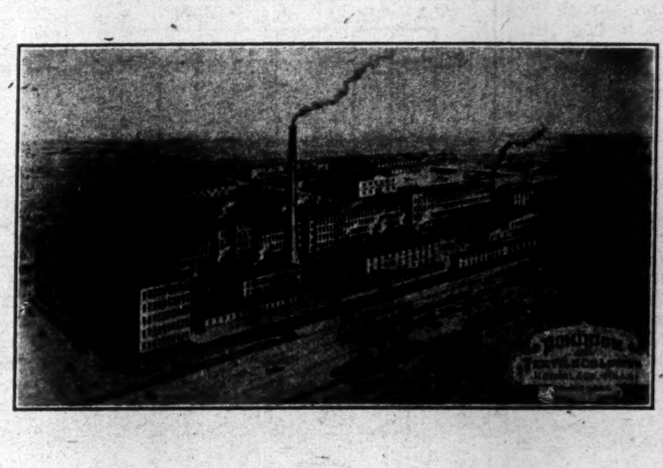
Year	Medicinal Cod Liver Oil Gallons	Medicinal Cod Liver Oil Value	Common Cod Oil Gallons	Common Cod Oil Value
1913	41,000	$ 18,122	810,000	$ 265,435
1914	26,000	17,010	1,055,000	386,825
1915	47,700	35,837	1,280,000	434,709
1916	142,000	254,562	1,300,000	682,334
1917	214,000	471,629	1,200,000	910,079
1918	321,000	674,093	1,860,000	1,768,724
1919	342,000	832,352	1,100,000	1,411,581
1920	291,000	726,852	1,300,000	1,435,872
1921	48,000	79,982	768,000	474,364
1922	48,000	28,265	1,536,000	594,096
1923	51,000	36,967	1,300,000	656,989
1924	42,000	31,462	829,000	493,873

This table will show that an opportunity exists for expanding the business of rendering the Common Cod Oil — used for industrial purposes.

"Newfoundland Currency"



Two of Dominion Textile's eleven Plants



A Predominant Company Owned in Canada and Employing 6500 Canadians

A STORY OF PROGRESS

FIRST incorporated in 1905, The Dominion Textile Company acquired the business of four companies. At that time textile production in Canada was a small item in the national production, but even then, the company was the leading producer of textiles in the Dominion. Its leadership has continued—to-day it is still the dominant producer of cotton textiles in Canada. An industry which now plays a major role in the Dominion's industrial progress.

During the past twenty years the output has increased both in quantity and variety. Included in its range of products is practically every variety of cotton yarn and weave.

The company now owns and operates ten plants whose efficiency and up to date methods compare favorably with plants located in other countries. One result of this is seen in quality of the products which yearly increase in public favour.

Eight spinning and weaving plants, a bleachery and printing works constitute the Dominion Textile Company; in this enterprise is invested over $30,000,000, practically all owned by Canadian investors—which is unusual by comparison with other major Canadian enterprises which are frequently controlled by foreign capital.

At present well over 500,000 spindles and 11,000 looms are being operated by over 6,500 Canadian workmen.

Officers and Directors:

President
SIR CHARLES B. GORDON, G.B.E.

Vice-President
SIR HERBERT S. HOLT

Directors
J. P. BLACK, C. R. HOSMER,
F. G. DANIELS, W. A. BLACK,
J. H. WEBB

General Manager—F. G. DANIELS

Sec.-Treasurer—J. H. WEBB

Asst. Sec.-Treasurer—J. A. FISH

DOMINION TEXTILE PRODUCTS

Printed and Dyed:

Broadcloths—
  Printed and Plain
  Shades
Fancy Shirtings
Printed Dress
  Goods
Mercerized Taffeta
Crepes—Plain and
  Printed
Egyptian Krinkle
Chambrays
Flannels
Draperies
Ticking
Quiltings
Scrims
Printed and Dyed
  Drills
Pocketings

Grey and Bleached:

Bleached Cottons
Cambrics
Long Cloths
Interlining
Bleached Drills
Sheetings—
  All Widths
Pillow Cottons
Towels
Toweling
Canton—Grey and
  Bleached
Bag Cloths—Grey
  and Bleached
Grain Bags
Duck—
  All Weights
Blankets
Shoe Lining
Rubber Cloths

Hosiery and Sale Yarns

PRIDE COTTONS

Dominion Textile Company Limited

Montreal - Toronto - Halifax - Vancouver

Woods Manufacturing

Owns and Operates Five Plants With a Varied Output—To a Considerable Extent Earnings Depend on Amount of Wheat Milled in Canada

About half of the Woods Manufacturing Company's business is in bags—cotton bags and bags of jute, made for almost every conceivable purpose; for flour, cement, grain, sugar, and salt. One of the larger factors affecting its profits depends on the number of bags of flour which are domestically milled. In this connection, it is to be remembered that two crops enter into the earnings, as shown at the end of the company's fiscal year, which expires December 31. The Canadian millers look for a gradual increase in the amount of flour milled at home, due to the fact that for a considerable number of years they have been educating foreign markets to Canadian milled flour. The domestic market also shows an even increase in the demand. These are the factors which affect a considerable portion of the company's earnings.

The remaining half of the business is divided between its cotton factory at Welland and its canvas factory at Hull, P. Q. About a fifth of the total business done comes from Hull, whilst the last 30 per cent. is from its cotton mill. In Hull, finished canvas goods are manufactured. They include tents, tarpaulins, flags and similar commodities.

About a year ago, the company installed a small plant at Ogdensburg, New York, to take care of the American end of its business in making and selling sleeping bags. This plant is doing well.

The Woods Manufacturing Company is happily situated in that it is able to take for its own use 60 per cent. of the output of its Welland cotton plant for further manufacture. The other 40 per cent. goes on the open market. During 1924 this 40 per cent. was put on the market at a low figure and did not net much in real profits. The textile trade generally has seen some improvement in 1925 and this will be reflected in the Woods Manufacturing earnings at the end of this present year.

The canvas end of the company's business is expected to continue its growth. With regard to the company's output of bags, this is a basic commodity and sales depend on many outside influences, but, as business at large moves forward, so will this end of the company's endeavors. One of the outside influences with which the company has to contend is the price of raw cotton and jute. These naturally move in accordance with prices throughout the world. The company is the largest producer of jute and cotton bags in Canada.

It was incorporated in 1912 under the name of Smart-Woods, Limited, as a consolidation of the Smart Bag Co., and Woods, Ltd., and early in 1914 the Empire Cotton Mills of Welland was merged. The present name was assumed in 1918. The company owns five mills. The Welland property, still known as the Empire Cotton Mills, produces gray counter cloths, bag cloths and ordinary hose. The plant located in Hull, Quebec, manufactures lumbermen's and contractors' tents, clothing and supplies. Bags are manufactured at mills in Montreal, Toronto and Winnipeg.

The mills and factory buildings are of modern construction, having been built within the past fifteen years.

The company pays dividends at the rate of seven per cent. on the preferred stock, but none is being paid at the present time on the common. Dividends on the latter were initiated in 1913, and with the exception of 1915 and 1916, were maintained until the last quarter of 1923. The rate just before suspension was eight per cent. per annum. Together with bonuses a total of as high as 12½ per cent. was paid in 1920, with 12 per cent. in each of the preceding two years.

Capitalization—

	Authorized	Outstanding
Common	$2,492,000	$1,710,600
Preferred	2,481,800	1,528,300

7 per cent. cumulative. Shares $100 ea.

Funded Debt—

First mortgage, 6 per cent. bonds, due 1943	2,000,000	969,500

Dividend Record—

Initial dividend on preferred was paid in April, 1913, and paid at that rate regularly up to and including July, 1914; none thereafter until Jan., 1916, when 1¾ per cent. was paid; April and July, 1916, 1¾ per cent. each; Oct., 1916, 1¾ per cent. and 1¾ per cent. on account of arrears; Jan., 1917, 1¾ per cent. and 7 per cent. in payment of arrears; regular payments since. Initial dividend on common 1¼ per cent paid in April, 1913, which rate paid to July, 1914; none thereafter until June, 1917, when 1¼ per cent. was paid; 1¼ per cent. Sept., 1917; Dec., 1917, 4½ per cent.; Mar., 1918, to June, 1920, at rate of 7 per cent. per annum; Sept., 1920, to Sept., 1923, 2 per cent. each quarter; none since. Extra dividends of 5 per cent. each were paid on com. Dec., 1918, Dec., 1919, and Dec., 1920.

Officers and Directors—

Lt.-Col. J. W. Wood, pres. and man. dir.; W. G. McMahon, vice-pres.; J. T. F. Keene, sec.-treas.; T. Mitchell, gen. mgr.; Ernest Linton, Glyn Osler, K.C., J. W. Pyke, G. S. Browne.

Profit and Loss—

	1923	1924
Profits	$12,128	$264,579
Depreciation	84,765	63,870
Bond int., etc.	58,195	62,831
Pref. dividend	108,255	107,299
Com. dividend	103,116	......
Balance	*342,203	30,579
Prev. balance	409,176	66,973
	66,973	97,552

Earning Rate—

Per cent. on com.	....	1.79
Per cent. on pref.	....	8.99

* Debit.

Eight Years' Earnings—

Year	Earnings	Dividends	Surplus
1917	$770,816	$228,431	$1,003,539
1918	842,200	314,476	1,291,439
1919	630,812	314,487	1,385,614
1920	*412,324	323,080	515,848
1921	160,912	245,743	341,123
1922	400,552	245,743	409,176
1923	12,128	211,371	66,973
1924	264,579	107,299	97,552

* Loss.

Market Record—

	1923 H	1923 L	1924 H	1924 L	1925 H	1925 L
Com.	80	35	35	23¼	49	20
Pref.	85	69⅝	67	59	80	64⅞
due 1942			350,000			325,000

Monarch Knitting

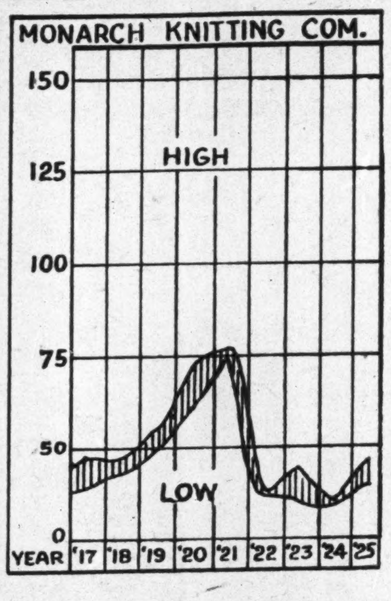
Preferred Dividends Deferred Because of Conditions in the Industry—Increased Protection Needed for Prosperity

The Monarch Knitting Company started operations in 1903 and was reorganized in 1912. It manufactures knitted goods, including sweater coats for men, women and children, and a complete line of fancy knitted goods such as skirts, toques, scarfs, etc., also hosiery. It owns factories at Dunnville, St. Catharines and St. Thomas, Ont., and has offices and warehouses in Toronto, Montreal, Port Arthur, Winnipeg, Calgary and Vancouver.

The company has felt particularly the keen competition from British products in its various lines, and has been hoping for a larger measure of tariff protection. The outlook in this connection has not been cleared up by the recent indecisive election. Even though the King government proposes to carry on, it is by no means certain that it can do so for any great period, and a new election seems altogether likely. In any event it is hoped that the tariff sentiment indicated by such a large portion of the voters throughout the country will have its effect on government policy. This company has been feeling conditions so seriously that in April of the present year the directors decided to defer payments on the preferred stock until the results of the operations for the full year were known.

This matter of competition from Great Britain and European countries was particularly referred to at the last annual meeting when the report for 1924 was discussed. In addition, it was pointed out that taxes of nearly $100,000 had been a very heavy drain on the company's earnings. The result was that when all charges, depreciation and preferred dividends were taken care of, the surplus account had to be valued upon to the extent of $104,825. The net earnings for the year were only $17,675 which was about $100,000 less than a year before. The year's sales fell of by about 12½ per cent.

Recently the company has been experiencing some improvement in demand, but conditions are still anything but favorable. The company's working position is fairly well maintained in view of all the circumstances. The 1924 report showed liquid assets of $1,354,198, the large bulk of which was made up of inventories. Liquid liabilities stood at $688,284.



Capitalization—

	Authorized	Outstanding
Common	$1,275,000	$1,275,000
Pref. 7% cum.	750,000	750,000

Shares $100 each.

Funded Debt—

None.

Dividend Record—

Preferred 7 per cent. per annum, payable quarterly, Feb., May, Aug. and Nov. Deferred for quarter ended Apr. 30, 1925, and since.

Officers and Directors—

F. R. Lalor, pres., A. E. Ames, vice-pres., T. A. Russell, J. A. Burns, gen. mgr., Geo. C. Biddle.

Profit and Loss—

	1923	1924
Net profits	$114,888	*$ 52,325
Pref. div. accrued	8,750	......
Pref. dividends	43,750	52.500
Surplus for year	62,388	*104,824
Prev. balance	547,104	609,492
	609,492	504,667

Earning Rate—

Per cent. on com.	Nil.	4.90
Per cent. on pref.	Nil.	15.32

* Loss.

Eight Years' Earnings—

Year	Earnings	Dividends	Surplus
1917 ..	$ 202,413	$ 52,500	$ 442,212
1918 ..	351,654	103,500	671,905
*1919 ..	386,687	133,375	925,217
1920 ..	183,405	103,500	1,005,123
1921 ..	28,653	52,500	483,073
1922 ..	116,531	52,500	547,104
1923 ..	114,888	52,500	609,492
1924 ..	†52,324	52,500	504,667

† Loss.

* In 1919 the figures are for 13 mos.

Market Record—

	1923 H	1923 L	1924 H	1924 L	1925 H	1925 L
Com.	40	27½	25	25	45	30

Dominion Linens

Company Has Been Having Serious Difficulties Because of Low Tariff

Dominion Linens was incorporated in 1916 as successor to an Ontario company of the same name incorporated in 1914. The company has plants at Guelph and Tillsonburg, Ont., and manufactures cotton and spins yarn in addition to plain and embroidered linens, damask cloths, napkins, towels, quilts, etc. A subsidiary company is Flax Spinners, Ltd., incorporated in 1918, all the capital stock of which is owned by Dominion Linens, which has also guaranteed bonds to the extent of $150,000.

Because of European competition and the generally unsatisfactory conditions in the linen market, owing to curtailed consumption, the company has been making an unsatisfactory showing from the standpoint of the shareholders. A strong plea has been made for additional tariff protection, and it was hoped that this might have been secured with a change of government in the recent election. The very mixed political outlook now makes it very uncertain as to what may be expected in the direction of increased protection.

About a year ago the company moved the flax spinning business to the United States and established a weaving, bleaching and finishing plant at Lockport, N. Y.

According to the president, D. M. Sanson, the company is awaiting developments of the forthcoming parliamentary session to decide future plans. Mr. Sanson directs attention to the fact that during the regime of the King Liberal government there were four reductions in the tariff affecting the industry and that if there is not a change in the immediate future it will not be possible to continue operations. The company is not only not hoping for an adjustment to the basis of the Laurier-Fielding tariff, but, at least, for a change in policy by the present or a new government which will result in effective protection.

In the event of the company's plants in Canada being closed down, Mr. Sanson says that an effort will be made to find a market for the equipment in the United States. He directs attention to the fact that already a start has been made in this direction by the establishment of a mill at Lockport, N. Y., which is now in operation. Sites are now being inspected for locating another plant over the border.

Capitalization—

	Authorized	Outstanding
Common	$200,000	$200,000
Preferred 7%	350,000	350,000

No funded debt.

Dividend Record—

Preferred 7 per cent. per annum, payable Jan. and July 15th, 14 per cent. in arrears as at Dec. 31, 1924; common 5 per cent. paid April, 1920; none since.

Officers and Directors—

D. M. Sanson, pres.; W. Berry, vice-pres.; G. D. Perry, Geo. H. Muntz, G. H. Townsend, E. A. MacDonald, R. W. Stratton, H. A. Hignell, sec.-treas.

Profit and Loss—

	1923	1924
Net profit	$ 4,482	*$11,372
Reserve	3,141	......
Balance forward	27,588	22,962
Surplus account	....	8,738
	35,211	20,328
Preferred dividend	12,250	......
Written off	......	20,000
Balance	22,962	328

Six Years' Earnings—

Year	Earnings	Dividends	Surplus
1919	$76,190	$24,500	$49,594
1920	58,872	34,500	35,169
1921	56,820	24,500	26,399
1922	37,768	24,500	27,588
1923	4,482	12,250	22,962
1924	*11,372	....	328

* Loss.

Paton Manufacturing

Surmounts Bad Conditions by Capable Management—Earnings About $1 on Common

Early in 1923 a group of men associated with the Dominion Textile Company took over the Paton Manufacturing Company, and shareholders in that concern may consider themselves fortunate in having a board of management which is able to turn in, in these hard times for the woollen weaving industry, an annual report such as appeared last June. Its securities are closely held, and, although both the preferred and common stocks are on the unlisted department of the Montreal Stock Exchange, they are traded in infrequently. Only limited amounts of the stock are in the hands of the public.

The company's plant consists of a woollen mill, a worsted mill, and complete carbonizing, dyeing and finishing plants. Extensive improvements and additions to the machinery were completed last year.

The woollen industry in Canada during the last few years has been passing through a time such as it has never before experienced, yet last year, when many other woollen mills were closing down, the management were able to meet all fixed charges and preferred dividends, and at the same time earn nearly $1 per share on the 10,000 shares of no par value common stock outstanding. This would indicate that, with any revival in this industry, the company should do extraordinarily well.

Atlantic Underwear

Begins to Feel Generally Bettered Business Conditions Throughout Canada

During the past year business with Atlantic Underwear has been in conformity with the general textile situation throughout the Dominion. Business has been depressed owing to the lack of purchasing power throughout the country, and the markets for woollens in particular have been poor owing to the heavy imports from abroad. Conditions have been aggravated during the year owing to the fluctuations in raw wool and cotton, especially the former.

The outlook at present has improved, however, and business has once more taken a turn for the better. The annual report will be published within the next few weeks.

Capitalization—

	Authorized	Outstanding
Common	$250,000	$240,000
Preferred	250,000	200,000

7 per cent. cumulative shares $100 ea.

Funded Debt—

Bonds, 6½ per cent., due 1944	100,000	100,000

Dividend Record—

Dividends on preferred regularly paid, April and Oct. On common 4 per cent. was paid in 1916; 5 per cent. in 1917; 7 per cent. in 1918 and 1919; 5 per cent in 1920; none since.

Officers and Directors—

M. S. Clarke, pres., W. F. Humphrey, vice-pres., W. F. Ferguson, J. L. McKinnon, A. E. Trites, R. W. Elliott, B. P. Saunders, T. W. Murphy, F. R. Sumner, J. L. Macdonald, gen. mgr. and sec.; H. D. Adamson, treas.

Profit and Loss—

	1923	1924
Manuf. profits	$40.925	*$ 3,728
Directors' fees	2,140	2,660
Bad debts	15,997	3.584
Depreciation	8.500	......
Bond interest	......	1,276
	14,288	11,248
Dividends	14,000	14,000
Less reserve	......	2,333
Surplus for year	288	*22,915
Prev. balance	159,198	159,486
Balance	159,486	136,571

* Loss.

Seven Years' Earnings—

Year	Earnings	Dividends	Surplus
1918	$79,991	$30,800	$ 25,266
1919	95,381	30,800	155,657
1920	48,846	26,000	157,529
1921	23,274	14,000	158,034
1922	41,033	14,000	159,198
1923	40,925	14,000	159,486
1924	*3,728	14,000	136,571

* Loss.

Mercury Mills

Satisfactory Operations Reflected by Market For Company's Bonds

Mercury Mills, Ltd., as at present organized, was incorporated in 1922 to purchase the assets and undertakings of a corporation of the same name, the predecessors having been in continuous and successful operation since 1912. The company manufactures medium and high-grade knitted goods, the bulk of the output consisting of cotton, silk and cashmere hosiery and underwear. The up-to-date plant at Hamilton occupies 5½ acres of land.

The daily capacity is 1,500 dozen hosiery and 300 dozen underwear.

The public investment interest in the company largely centres in the first mortgage bonds which are well regarded, being well secured, while the earnings of the company provide a wide margin over interest requirements. The market for these bonds is kept healthy also by the periodical purchasing of the company itself for sinking fund purposes.

The bond issue was made in May, 1922, amounting to $800,000 of which $32,000 was retired in May, 1925. The purpose was to reimburse the company's treasury for large capital expenditures made during recent years and to increase working capital. The authorized issue is for $2,000,000, but the balance shall be issued for only 50 per cent. of the fair value of additional real and immovable properties and plant acquired and of capital expenditures made and then only when the net earnings for the two fiscal years next preceding, after taxes, depreciation of plant, buildings, equipment, machinery and inventories, and available for bond interest, are two and one half times the interest charges during that time on those bonds outstanding and proposed to be issued. The bonds are subject to call as a whole or in part on 60 days' notice on any interest date on or after May 1, 1925, at 105 interest. The sinking fund provides that the company shall pay to the trustee on or before May 1 each year, a sum equal to 2 per cent. of the aggregate principal amount of these bonds issued, the sinking fund to be applied to purchase or redemption of these bonds at not exceeding 105 and interest. The sinking fund will require at least $500 of these bonds at maturity. The security is a specific first lien and charge on the company's fixed assets, now owned or hereafter acquired and by a floating charge on all other assets, both present and future. The original offering of this 20 year 6½ per cent. issue was at 98¾ and interest. To-day the price is somewhat above this level, quotations ranging a little above to a little below par. This reflects about as well as anything else the satisfactory position in which the company finds itself.

Capitalization—

	Authorized	Outstanding
Common	$2,000,000	$900,000
Pref. 7% cum.	2,000,000	900,000

Shares $100 each.

Funded Debt—

First mortgage 6½ per cent., due 1942	$2,000,000	$768,000

Dividend Record—

Preferred 7 per cent. per annum, payable quarterly, Jan., Apr., July and Oct. 15.

Officers and Directors—

John Penman, pres., H. G. Smith, vice-pres., gen. mgr. and sec.-treas., R. S. Williams, asst. gen. mgr., J. E. Evel, J. H. Gundy.

Dominion Combing

New Venture in Textile Field Now Operating at Trenton

Dominion Combing Mills, Ltd., was incorporated in 1921 to manufacture tops and noils and also to deal in wool. Operations began about the middle of 1923. The plant, which is located on a ten-acre site at Trenton, Ont., is equipped for a combing plant of thirteen cards and twelve combs, with all the other necessary equipment. The annual output is reported as about 3,500,000 lbs. tops.

The preferred stock has preference for assets and dividends, and in the event of liquidation is entitled to par and accrued dividends. It is subject to redemption at any time at 110 and accrued dividends. There is no sinking fund provided. The preferred stock has no voting power except in the case of default of preferred dividend for any two consecutive years after Jan. 1, 1922, in which case it shall be entitled to one vote for each share.

Capitalization—

	Authorized	Outstanding
Common	$1,500,000	$1,500,000
Pref. 8% cum.	1,000,000	1,000,000

Par of com. $50, and pref. $100.

No funded debt.

Officers and Directors—

A. E. Rae, president; W. J. Keens, G. A. Davies, T. D. Currie, sec-treas., Major-Gen. R. Rennie.

Profit and Loss—

	1924
Sales	$1,369,360
Cost of sales, oper. exp., etc.	1,278,045
Net earnings	91,315
Taxes	1,998
Depreciation	70,285
Balance	19,032

CONSOLIDATED DYESTUFF CORPORATION LIMITED

—To the Leading Executives in Canada's Textile Industry Regarding Our New Company

—Its benefits and advantages to you, who comprise the largest dyestuff consuming industry of all

AS CAPABLE business men you know the benefits accruing from business consolidation, therefore with the recent formation, by mutual consent, of the Consolidated Dyestuff Corporation, Limited, there has been brought to the Canadian Textile Industry the benefits in your purchasing of Aniline Dyestuffs, which result from the consolidation—namely, ample stocks to meet all your requirements, guaranteed shipments of all standard types, services of efficient and expert color chemists, practical demonstrators working out your problems in your own mills, and the sale of dyestuffs at strictly competitive values.

As users of dyestuffs, there are now available for you the services of the consolidated experienced sales forces, chemists, and laboratory equipment of the following firms, who comprise this new company:—

CANADA COLORS & CHEMICALS LIMITED..........Dyestuff Department
GRASSELLI DYESTUFF CORPORATION LIMITED ....
KUTTROFF, PICKHARDT & COMPANY .... Dyestuff Department
MCARTHUR IRWIN LIMITED .... Dyestuff Department
POLLACK BROS. & COMPANY, LIMITED........... Dyestuff Department
RUBINOVICH & HASKELL LIMITED .... Dyestuff Department

Particularly of interest to the Textile Trade is the fact that our newly built textile laboratory is the most modern equipped in Canada—containing the best and latest scientific equipment for standardization, testing, also laboratory and small scale dyeing machines, capable of dyeing all textile fabrics and materials—WOOLLENS, including slubbing, yarn, piece-goods, worsteds, fancy weaves, etc.; UNIONS of all kinds; RAYON, including Viscose, Bemberg, Chardonette and Acetate Cellanese; COTTON, raw, hank and piece-goods—catering to the entire textile industry—yarns, suitings, cloths, knit goods. Expert, accurate and quick service is therefore assured to you in testing your samples and matching your shades.

All dyestuffs previously stocked by the above companies are now centralised in our warehouse in Montreal also our branch in Toronto, which facilitates prompt deliveries, which is to your advantage.

YOU CAN BE SURE OF THE BEST POSSIBLE VALUES AND SERVICE TO MEET YOUR DYESTUFF REQUIREMENTS, BY SENDING YOUR ENQUIRIES, WHICH WE EARNESTLY SOLICIT, TO THE NEW COMPANY — NAMELY

CONSOLIDATED DYESTUFF CORPORATION LTD.

Head Office: **Read Building, Montreal** *Branch:* **41 Colborne St., Toronto**

Canadian Cottons

Operates Six Textile Mills — Earnings This Year Are Showing an Improvement Over Corresponding Period in 1924 — Operates Hydro Development

Canadian Cottons controls six mills fully equipped and in operation. These are situated at Hamilton, three at Cornwall, Ontario, Milltown, and Marysville, N. B. That the Canadian Cottons is an ably managed concern is seen by but a glance at its balance sheet. The lower earnings during the past two years are due to the general depression throughout the whole textile industry. Earnings during the present fiscal year are understood to be a little in excess of the corresponding period of 1924. This company specializes in the production of yarn-dyed weaves. It uses also a considerable amount of rayon, artificial silk, in its production, but the amazing growth of the artificial silk industry is one which adversely affects the cotton companies, for, although the cotton textile mills can weave rayon, yet in using this new textile the mills lose the profit which they were accustomed to make on the spinning of the raw cotton. In feeling this competition, Canadian Cottons is in the same position as all the other textile operators. In the meantime, its earnings are moving upwards.

Canadian Cottons derive a considerable income each year from power sales. Under an agreement with the Maritime Electric Company, a minimum of 2,000,000 k.w.h. is sold annually, which is distributed in and around the town of St. Stephen, N. B. The contract runs for twenty years; this minimum amount of energy, which is sold at 1½c. per k.w.h., brings in an income of $30,000 annually. Further power, over and above the minimum supply, is sold to the electric company at 2c. per k.w.h.

Capitalization—

Pref. 6% non-cumulative	$3,661,500
Common stock	2,715,500

Funded Debt—

First mortgage 5% bonds due July 2, 1940	$4,268,540

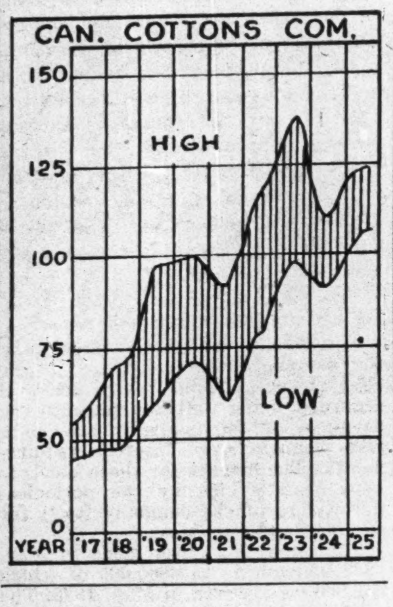
Dividend Record—

Preferred paid regularly quarterly since April, 1911.

Common paid 4 per cent. 1917; 6 per cent. in 1918; increased to 7 per cent. Oct. 1, 1919; increased to 8 per cent. April 1, 1920, and same rate paid since.

Officers and Directors—

C. R. Hosmer, pres.; A. O. Dawson, vice-pres. and man. dir.; Hon. F. L. Beique, K.C., A. A. Morrice, Geo. Caverhill, Sir H. Montagu Allan, W. J. Morrice, A. Bruce, sec.-treas.



Profit and Loss—
Year ended March.

	1924	1925
Net profits	$ 525,889	$ 506,928
Other profits	95,490	107,182
	621,379	614,110
Interest	160,167	157,079
Pref. dividend	219,690	219,690
Com. dividend	217,240	217,240
Bad debts	15,006	17,674
Balance	9,276	2,427
Prev. balance	*2,670,961	2,680,236
Pr. & loss bal.	2,680,237	2,682,663

Earning Rate—

Per cent. on com.	8.34	8.09
Per cent. on pref.	12.18	12.00

Eight Years' Earnings—

Year	Earnings	Dividends	Surplus
1918	$1,126,126	$341,887	$1,873,109
1919	1,563,103	382,620	2,228,893
1920	1,838,443	396,197	2,683,479
1921	867,805	436,930	2,720,074
1922	668,572	436,930	2,744,290
1923	703,191	436,930	2,807,144
1924	621,379	436,930	2,680,236
1925	614,110	436,930	2,682,663

* Less $136,183 loss St. Croix flood.

Market Record—

	1923		1924		1925	
	H	L	H	L	H	L
Com.	137	98	111	85½	124½	106
Pref.	93	81¼	91	86½	96½	90
Bonds	90	85⅜	91	88	94½	90

Canadian Woollens

Merger of Several Ontario Companies in the Weaving and Spinning Field

Canadian Woollens, Limited, was incorporated in 1919, being a consolidation of the Auburn Woollen Co., Ltd., established in 1918, owning plant located on 23 acres of land at Peterborough; the Standard Woollen Mills Co., Ltd., established in 1884, owning a plant located in Toronto; and the Bonner-Worth Co., Ltd., established in 1911, owning a modern plant located in Peterborough, equipped for spinning Bradford and French yarns. The company is engaged in spinning, weaving and dyeing worsted and woollen yarns, tweeds and velours, etc. The gross sales approximate $3,000,000 per annum. The appraised value of the property is $2,129,868.

Without the consent of two-thirds in amount of preferred stock outstanding the company may not issue any mortgages, bonds or debentures having a priority over preferred stock. Preferred stock has preference for assets and dividends and is subject to redemption as a whole on July 1, 1941, at par, or as a whole or in part at any time after July 1, 1922, at 110 and accrued dividends. Sinking fund is provided commencing July 1, 1921, consisting of 2 per cent. per annum of all preferred stock outstanding, to be applied to the redemption of the preferred stock either by purchase in the open market at the market price or by call by lot at redemption price if not so purchasable. Preferred stock has no voting power except in the event of default for two years in the payment of preferred dividends, in which event it shall assume full voting power.

Capitalization—

	Authorized	Outstanding
Pref. 7% cum.	$1,750,000	$1,615,700
Com. stock	1,750,000	1,750,000

Funded Debt—

None.

Dividend Record—

Preferred 7 per cent. per annum payable 1st January, April, July and October. Passed for quarter beginning July 1, 1922, and since. Common, 1¼ per cent. paid on 1st October, 1920, and 1st January, 1921, but none since.

Officers and Directors—

A. O. Dawson, pres.; W. K. George, 1st vice-pres. and chairman; F. B. Hayes, 2nd vice-pres.; I. Bonner, G. D. Perry, C. M. Heddle, Wm. Hanson, Wm. Tinker, sec.-treas., E. M. Miller, asst.-treas.

Profit and Loss—
Year end, June 30.

	1924	1925
Oper. profits	$133,552	$ 75,172
Other income	754	1,955
	134,306	77,127
Int. on bank loans	22,534	17,382
Loss, sale on assets	74,218	....
Res. for redemp. of pref. stock	....	4,459
Res. for bad debts	....	9,197
Res. for deprec.	37,553	46,089
Total deductions	134,306	77,127

Six Years' Earnings—

Year	Earnings	Dividends	Surplus
1920	$615,089	$122,500	$300,727
1921	292,275	166,250	26,529
1922	204,649	122,500	22,228
1923	93,353	....	....
1924	134,306	....	....
1925	77,127	....	....

Market Record—

	1923		1924		1925	
	H	L	H	L	H	L
Com.	24	6	7⅛	4	15	5½
Pref.	65	36	42½	33	61	40

24 DEPARTMENT STORES IN NEW BUYING GROUP

(Continued from page 1)

required could be multiplied by 10, 15, 20 or the number of stores operated by the chain. In addition, there were wholesalers who had been gradually getting control of department stores throughout the province, and that also were going in more for manufacturing; this permitted the stores in such a group to cut down costs somewhat, and he felt this competition had to be met.

The new organization will adopt a common trade mark for various lines handled. This will be worked out in co-operation with manufacturers. By this means it is hoped to prevent price cutting to the advantage of both the trade and the manufacturers.

Mr. Whelan says that the wholesalers will always find a field for their activities, but that they will serve a different class of stores; these stores will supply the current needs of the consumers throughout the farming communities and smaller trade centres.

The Founders

Those at [illegible] in the Federated Distributors are:

Andersons, Limited, St. Thomas.
The Arcade, Limited, Hamilton.
Chas. Austin Co., Chatham.
A. Bristol & Son, Picton.
E. J. Coles Co., Woodstock.
Chapples, Limited, Fort William.
Dundas & Flavelle, Lindsay.
H. H. Engel & Co., Hanover.
H. S. Falls & Co., Simcoe.
Geddes Bros., Sarnia.
Goudies, Limited, Kitchener.
F. T. Hill & Co., Ltd., Markdale.
F. T. Hill & Co., Ltd., Meaford.
F. T. Hill & Co., Ltd., Alliston.
F. T. Hill & Co., Ltd., Orangeville.
F. T. Hill & Co., Ltd., Dundalk.
McKay Bros., Owen Sound.
Ogilvie, Lochead & Co., Brantford.
G. B. Ryan & Co., Guelph.
The Ritchie Co., Ltd., Belleville.
The Robinson Co., Ltd., Napanee.
Jas. D. Tait Co., St. Catharines.
White & May Co., St. Marys.
The Robt. Wright Co., Ltd., Brockville.

The Officers

President—J. P. Whelan, The Arcade, Ltd., Hamilton.

Vice-pres.—W. Flavelle, Dundas & Flavelle, Lindsay, Ont.

Secretary—Miss Dean.

Manager—A. W. Day.

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Chas. Austin, Austins, Limited, Chatham.

R. M. Anderson, Andersons, Limited, St. Thomas.

F. T. Hill, F. T. Hill & Co., Markdale.

J. W. Robinson of The Robinson Co., Napanee.

W. H. May, White & May, St. Marys.

Mr. Robinson is the secretary of the board of directors.

OKANAGAN IRRIGATION

VERNON.—The total amount of money invested in the Southern Okanagan Irrigation project is $83,188,084, exclusive of interest, according to the Hon. T. D. Patullo, who estimates that another $475,000 will be required to complete the irrigation work.

Business World Can Cut Present Distribution Cost From Producer to Buyer

(Continued from page 1)

The 1925 Conference

This conference was held December 15th and 16th at Washington. The following question was propounded by Mr. Hoover a year ago: "Can we reduce the margin between our farmer and manufacturing producers, on the one side, and our consumers on the other?"

Between two hundred and three hundred of the biggest, specially trained and best informed men in the United States have been considering this question and their answer is decidedly "Yes."

Let us interject here a word on the organization of the conference. A year ago, at the suggestion of Mr. Hoover, the Chamber of Commerce of the United States sent out invitations to about five hundred business men. These men were all carefully selected. They were key men in the various organizations and individual businesses. They were men who had given careful thought and study to some particular angle of the big question of distribution. Out of the five hundred invitations that were sent out they got an attendance of about two hundred. They organized. They formed six committees and these committees were to bring in a report which was presented on December 15 and 16. It was not part of the Chamber of Commerce, but the Chamber of Commerce sponsored it and did the most of the clerical work. In all about $60,000 was spent during the past year on gathering information, putting it in the proper form.

Present System Sound

The general conclusion that was reached in the reports of the various committees was that there would be no great revolution in present merchandising methods. The various committees reported that the present system of distribution, the result of centuries of thought and experience, is basically sound. All the talk of the middleman being unnecessary is a myth. The function of getting goods from producer to consumer requires the work of specialists and you do not remove the necessity, or the cost, in any way by combining the work of retailer, wholesaler, broker, traveling salesman, etc., into one operation. This is very well put in one report:

"The middleman system of marketing has developed for the simple reason that middlemen are able to perform the marketing functions in the most economical and effective manner. Middlemen achieve economies in two principal ways:

"1. They acquire skill in performing marketing functions through specialization. Just as in the cotton industry one mill specializes in spinning yarn, another specializes in weaving yarn into cloth, and another specializes in dyeing and finishing the woven cloth, so do marketing agencies specialize in the performance of marketing functions. One devotes its time to storing; another makes a business of assembling large quantities of farm products from different parts of the country. Most middlemen perform two or three or more of the marketing functions, but they are specialists nevertheless, as compared with manufacturers who have to devote a large part of their attention to questions of production.

"2. Middlemen achieve economies by combining products made by different producers or manufacturers, thereby doing a much larger volume of business in any one locality than one individual producer could hope to do. A manufacturer of corn flakes, for example, would not have a sufficient volume of business in each community to justify sending a salesman all over the country to retail stores. The wholesale grocer combines corn flakes with flour and sugar and a hundred other commodities, and then the wholesale grocer's salesman takes a $50 or $100 order, where the individual corn flakes salesman could take only a $5 order.

"The marketing functions have to be performed whoever performs them. If the manufacturer gives up selling through jobbers, and goes direct to retailers, he must store goods perhaps in branch houses [illegible] parts of the [illegible], he [illegible] credit to the retailer, he must break his goods up into small lots; he must send out scores or perhaps hundreds of salesmen; he may have to make deliveries.

"The elimination of middlemen does not eliminate the functions that have to be performed. For many staple articles, direct sale from producers to consumers, or from producers to retailers, would mean an increase in the cost of performing these functions. For other products, more direct methods of sale are possible. An examination of the principal marketing methods, and the reasons why they have developed for different commodities will be developed below."

Economies are Possible

While the conference did not expect that there would be any revolution in method, it did think that, in all these operations, economies could be made and waste could be eliminated. In some cases the number of middlemen would be reduced. In other cases they might find it increased by greater specialization which would result in reduction of cost.

They indicated that they did not expect any spectacular results; progress would be slow. They were aiming at reduction in expenses of distribution of probably five to ten per cent. That in itself would mean hundreds of millions of dollars.

Competition is getting keener each year and the necessity from both national and individual standpoint of making progress in solving this distribution problem becomes steadily more apparent. Failures are due generally to two causes: Mismanagement and fraud. Sound information properly gathered, carefully used, will overcome mismanagement for those who have sufficient energy, ambition and intelligence to make use of it. Fraud will be eliminated to a great extent by business men taking concerted action to ostracize, boycott or penalize offenders in some other suitable or legitimate way. It was felt that honest business men should combine for that purpose. As one man stated, the crooked men could not combine because they had to work under cover and because they could not trust each other. In both cases mentioned above, honest and aggressive business men will continue to benefit, for every inefficient and unethical practice is a handicap on business generally.

Programme to Reduce Costs

The main points in the programme for reducing distribution costs were as follows:

1. **Research Work.**—Compilation of statistics on costs of distribution, stocks in hands of wholesalers, retailers, manufacturers, brokers, etc. Speakers at the meeting laid great emphasis on this question of statistics. They drew a parallel from results that had been secured by producers. Every manufacturing establishment has a record of the costs of various operations. These costs have enabled them to greatly reduce expenses. These costs have been figured out by individual businesses; they have been figured out by groups of businesses.

Now, if producers have been able to accomplish such big results, it was felt that distribution would benefit equally from the compilation of figures and of information regarding individual types of business, figures regarding the business of a whole class.

Advertising expenditure must be based on careful investigation of markets and mediums. Stanley Reesor, of the J. Walter Thompson advertising agency, was head of a committee which furnished a report on that subject. They gave 24 examples of companies which have kept records and which definitely state that their costs of selling have been reduced through the use of advertising. In most cases they gave the figures.

Recommendations of Committee

This committee recommended four things:

1. (a) A market research planning body should be established co-ordinating certain lines of fundamental marketing research, to be supported by organizations interested in the results of such work. This body should lay out and possibly underwrite market research projects with the purposes of reducing duplication of efforts to its lowest terms and of establishing and maintaining high standards.

(b) A committee should be appointed, which should proceed actively to consider the formation of a market research planning body of the type suggested.

2. Advertisers both present and prospective, in order to avoid unnecessary marketing waste, should base all advertising expenditures upon the results of careful studies of their merchandising, markets, media, copy and all other phases of their advertising. There should be careful co-ordination among their advertising, manufacturing and seling policies.

3. Committee 1 is urged to proceed as rapidly as possible toward a census of distribution as well as toward the periodical publication of the prizes and quantities of merchandise produced and in suspense.

4. The plan of standard colors, hatchings and Ben Day stipples approved by Committee III of the National Distribution Conference is recommended to be adopted by the National Distribution Conference as a standard and its use urged in the preparation of all charts and graphs employed to represent business conditions or subjects.

Simply, the purpose of the first three recommendations is that a great deal of general research work is being done. Many firms are duplicating the work of each other. By appointing a committee, by organizing to have this work done centrally, it would be done more thoroughly and more economies would be effected. One firm reported that they were spending $40,000 on research work and found out other firms were carrying on the same line of work.

That was the first and probably the most important work. The research work, the gathering of statistics, with the reduction in cost, the elimination in waste would be accomplished by research work with proper statistics.

2. **Establishing Standards of Quality and Grade.**—To get statistics you must have standard grades and standard definitions. Some instances were given of what had been accomplished. Standards have been established in the quality of cement; in classes of lumber; in quality of eggs, dimensions of paving bricks have been reduced from 66 to 5 sizes; rasps and files from 1,351 to 496 sizes; wire fencing from 555 to 69 sizes; milk bottles from 49 to 9 sizes; various classes of china used in hotels, from 700 to 160 sizes.

A report was delivered giving some practical examples: Simplification of business practices, contract forms, insurance policy forms, documents of all kinds, specifications of all kinds. A great waste of time in having all kinds of different forms. There were as many as a thousand different kinds of specification forms, and people who are using all these forms have to read them carefully word by word. By arriving at a standard form they figured there would be a great saving in time and would be one of the things that tend to lower cost of distribution.

3. **Trade Practices.**—A great many different things came into the scope of this committee's work: The return of goods by the public; the return of goods by merchants. It was not generally appreciated probably by the public that when articles were returned to the store that it increased the cost of goods. When a woman returned a dress she did not realize that the next dress she bought cost just a little more because of the previous transaction. These things are small, but mount up probably into millions.

Cash discount terms were not adhered to satisfactorily. There was an abuse of the privilege. Orders were placed in too large quantities through high pressure salesmen or in too small quantities through a misconception on the part of the retailer as to his requirements. Undoubtedly, costs were effected by placing small orders, but if carried to extremes tended to increase cost of service and goods generally.

There was an absence in many cases of adherence to territory on the part of certain salesmen, according to agreement; or where special agents were appointed some firms would appoint other agents in the same town. These practices were bad and were wasteful.

Cancellation Evil Discussed

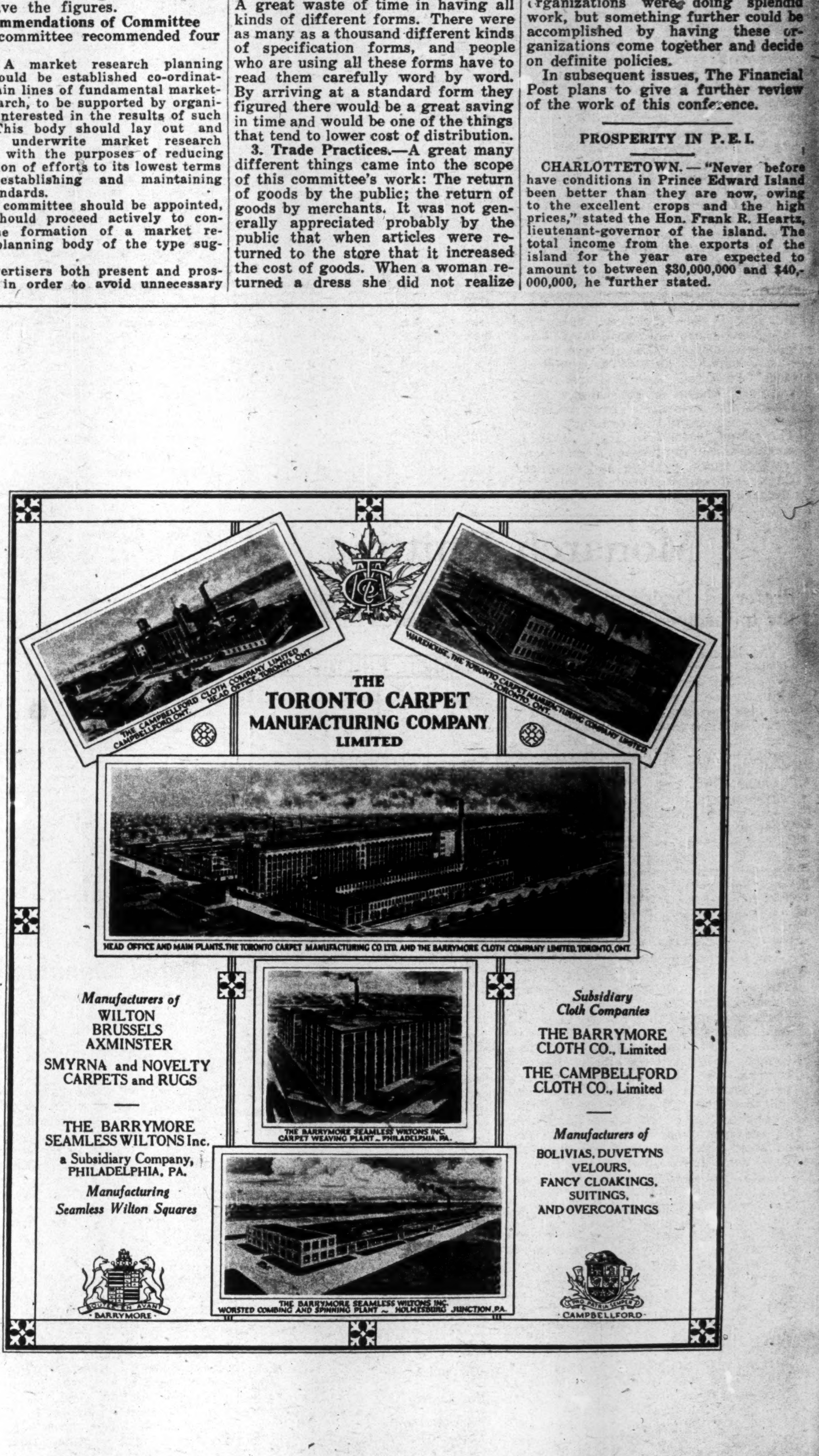
The cancellation of orders was another point dealt with; delays in delivery; relations between buyer and the consumers, all these points and a great many others. One report of 100 pages dealt with a great many things that tended to increase the cost of doing business. The importers thought that many of them could be remedied by general agreement, on the part of merchants or whatever branch of distribution machine they belonged to, through their own organization. They recommended a code of ethics for each organization, and that each organization undertake to see that the men in their own line of business adhered to this code of ethics. There was a great deal of discussion on that point, as to how they could enforce it legally; but it seemed to be the general opinion of the men there that if any of these unethical practices were dealt with by an executive body and publicity given in connection with the offenders that that would very soon bring the majority of them to time; that every business man valued his good name and that a great deal could be accomplished in that general way.

4. **Need for Co-operation.**—Each branch of business had now its organization and in many cases these organizations were doing splendid work, but something further could be accomplished by having these organizations come together and decide on definite policies.

In subsequent issues, The Financial Post plans to give a further review of the work of this conference.

PROSPERITY IN P.E.I.

CHARLOTTETOWN.—"Never before have conditions in Prince Edward Island been better than they are now, owing to the excellent crops and the high prices," stated the Hon. Frank R. Heartz, lieutenant-governor of the island. The total income from the exports of the island for the year are expected to amount to between $30,000,000 and $40,000,000, he further stated.


THE TORONTO CARPET MANUFACTURING COMPANY LIMITED

HEAD OFFICE AND MAIN PLANTS. THE TORONTO CARPET MANUFACTURING CO. LTD. AND THE BARRYMORE CLOTH COMPANY LIMITED, TORONTO, ONT.

Manufacturers of
WILTON
BRUSSELS
AXMINSTER
SMYRNA and NOVELTY CARPETS and RUGS

THE BARRYMORE SEAMLESS WILTONS Inc.
a Subsidiary Company,
PHILADELPHIA, PA.
Manufacturing Seamless Wilton Squares

Subsidiary Cloth Companies
THE BARRYMORE CLOTH CO., Limited
THE CAMPBELLFORD CLOTH CO., Limited

Manufacturers of
BOLIVIAS, DUVETYNS
VELOURS,
FANCY CLOAKINGS,
SUITINGS,
AND OVERCOATINGS
THE CAMPBELLFORD CLOTH COMPANY LIMITED CAMPBELLFORD, ONT.
WAREHOUSE, THE TORONTO CARPET MANUFACTURING COMPANY LIMITED
THE BARRYMORE SEAMLESS WILTONS INC. CARPET WEAVING PLANT — PHILADELPHIA, PA.
THE BARRYMORE SEAMLESS WILTONS INC. WORSTED COMBING AND SPINNING PLANT — HOLMESBURG JUNCTION, PA.
BARRYMORE
CAMPBELLFORD

Asbestos Merger Outlook is Excellent; Speculative Chances in New Common

Forecast of Earnings Shows Million Dollars a Year or More May be Earned to Apply on Dividends on New Common Shares—Canada a Dominant Factor in Asbestos Supply of World

From Our Own Correspondent.

> ### Sound Business Wins Out
>
> W. C. Ross, President of Asbestos Corporation, at Shareholders' Meeting
>
> "Looking back on the history of our company since the present administration took charge and the important part it has played in the industry as a whole, it is a source of gratification that, in spite of foolish competition and unbusiness-like methods and opening-up of impossible prospects that have characterized the industry, with disastrous results to most of the companies, your company has always made steady progress, and development and improvements to its plant, and property, and at the same time made substantial profits. Undoubtedly, there is something more required in industrial or commercial undertakings than initial financing of enterprise, and that is the great factors, common sense and business acumen. These are fundamental principles underlying all business and any departure from these principles leads to a situation that courts disaster, and I know of no better illustration of this than the asbestos industry."

MONTREAL.—That the common shareholders of the Asbestos Corporation will receive an additional tenth of a share of the common stock of the new corporation was announced by W. G. Ross, the president, at the meeting of shareholders who ratified the company's merger plans.

Mr. Ross brought out the fact that the corporation's earnings for the current fiscal year ending December 31 will amount to $700,000. This is the net amount available for bond interest and compares favorably with the $479,062 which was earned last year. In comparing these two figures, it is to be remembered that this year the allowances for depletion and depreciation were over 100 per cent. higher than in 1924, so that the forecasts of earnings of over $800,000 which were recently made are fairly accurate.

Ross Reviews History

At the meeting the president reviewed the history of the corporation and enumerated the various steps leading up to the merger. A resolution was adopted whereby the directors have authority to dispose as they see fit of the residue of common shares of the new company left in the treasury. This refers to between 15,000 and 16,000 shares which will be left for distribution to the shareholders. It is understood that this stock will be used to interest some of the employees in the new company.

The Earnings in Future

Mr. Ross reviewed the situation with regard to future earnings of the new corporation and mentioned the reasons for the increased distribution of the common stock. He declared:

"With regard to the earnings of the new company, your directors hesitate to make any statement as to possible profits. It could not be based on this year's or even last year's earnings of the various companies, as outside of our own, the earnings were negligible. In addition to this, delivery contracts made by various companies extend into part of next year. There also will be a period of readjustment of the new conditions and the combining or using the plants to best advantage. It is fair to assume, however, that the $1,000,000 required to provide the interest on the bonds and the dividend on the preferred stock will be earned, and that the following year there should be better results accruing to the new company.

"On the final revision of the situation, it became clear that in view of the substantial increase of the company's financial position during the negotiations, that it was only equitable that the shareholders should receive some further compensation in common stock of the new company. This has been appreciated by the bankers, and an additional distribution of 7,000 shares will be made to our preferred and common shareholders."

There follows the capitalization of the Asbestos Corporation, together with that of the new company and the exchange of securities which the shareholders of the former have decided to accept:

Asbestos Corporation Capitalization

5% bonds	$1,699,200
6% preferred	4,000,000
Common stock	3,000,000

New Asbestos Corporation Capitalization

6% 1st mortgage bonds	$3,000,000
6% general mgte. bonds	4,800,000
7% non-cumulative pref.	7,500,000
Common, no par value, shares	200,000

Exchange of Securities

1 bond of old company receives	1 6% 1st mortgage bond
1 preferred in old company receives	1 general mortgage bond
	1/5 share of 7% preferred
	1 1/10 shares of common
1 common in old company receives	1 1/10 shares of 7% preferred
	1 1/10 shares of common.

Prospects for New Common

The common stock of the new Asbestos Corporation is selling on an "if, as and when" basis at around 27. For those who have funds available for speculation, this stock holds many attractions.

To obtain a correct view of possibilities, it is necessary to review briefly the position in which the industry will find itself upon the completion of the merger that is now going through, involving a number of leading producers of asbestos. There are two groups of asbestos companies operating in Canada. The first group produces the raw material, whilst the second group both produces and manufactures the fibre here and in the United States. The latter companies are three in number: Johns-Manville Company, Keasbey-Mattison Company and the Philip Carey Company.

The new consolidation embraces all the asbestos producers in the province of Quebec, with the exception of two mines, the Pennington Mine and Johnston Mine. The former property, the interests back of the merger did not think valuable enough to include in their structure, whilst Johnston's Mine is owned outright by one man who has never yet been given to price cutting, the big, upsetting evil of recent years, and who will, it is understood, conform to a sales policy similar to that of the new amalgamation.

Arranged With Manufacturers

Those companies which both produce and manufacture asbestos do not produce enough of those grades which are required in their manufacturing processes; consequently, it is understood that arrangements have been made by the new Asbestos Corporation whereby those who produce as well as manufacture will turn in to the new company those grades of asbestos of which they have a surplus, whilst those grades of which they require a large supply than their own mines yield, will be purchased from the new corporation.

From the foregoing, therefore, it will be seen that the new company is, to all intents and purposes, a monopoly. There has been a lot of talk about increased prices for raw asbestos. Possibly there will be increases, but the new corporation will tread warily in the matter of any excessive prices, for this would simply lead to further production by the South African operators, who at the present time find it only profitable to mine the higher grades, whereas, should prices be raised excessively by the Canadian producers, South African fields and other asbestos fields would be able to compete in lower grades as well as in the long fibred grades.

Future for New Common

As to the earnings on the new common stock. At the present time the Asbestos Corporation of Canada produces about 35 per cent. of the total output of asbestos in Canada and probably, on the consummation of the merger, the new Asbestos Corporation will actually mine about 50 per cent. of the output.

Will Earn Preferred Dividend

W. G. Ross, the president of the Asbestos Corporation of Canada, has definitely stated that there should be no difficulty as to earning sufficient for the dividends on the new preferred stock. The earnings of the Asbestos Corporation alone this year will show sufficient to cover depreciation, bond interest and $700,000 more. Asbestos Corporation alone, without its new properties, could earn the preferred dividends of the new company.

In this connection, it must be remembered that the company's new mill only got into operation this autumn. If it had been running for a full year, the results for 1925 would have been considerably better, as the mill has reduced the cost of production to approximately $24 per ton.

Earnings of New Company

If, then, the corporation alone has an earning capacity at present in excess of $1,000,000—this is estimated on the basis of its new mill—it seems reasonable to suppose that when the new company gets going and produces 50 per cent. of the total Canadian production and, at the same time, sells to the three manufacturers who produce as well as manufacture, the net earnings of the new asbestos company should be in the neighborhood of $2,000,000 per annum, based on practically the present selling price of the fibre. This would show about $6 per share on the new common stock of the company. Whilst this figure may appear optimistic, yet it comes from a source close to this industry and from one who knows the situation. But, even admitting it to be optimistic and cutting it in half, the present price of the new Asbestos common stock should make it attractive to those who feel that they have funds for investment in speculative stock, in which they are assured of obtaining the best possible run for their money.

The present management of the Asbestos Corporation of Canada has shown its capability by completing what appears to be an exceptionally good bargain for its shareholders—it is reasonable to suppose that in the future this same management, in handling the affairs of the new company, will display the same ability.

Canada's Asbestos Areas

The consummation of the asbestos merger arouses interest in one of the big natural resources of Canada. The greatest asbestos district of the world is at Thetford, Quebec. There one finds the quarries of the King's, Beaver, Johnston's, Bell's, Martin-Bennett, and Jacobs group. At Black Lake, a few miles distant from Thetford, are the British-Canadian properties, and a few miles further away at Danville the important deposits of the Asbestos and Asbestic Company are to be found. From a geographical point of view the location of all these properties is ideal.

It is easy to comprehend the relative importance of the Canadian deposits, with their preponderance of fiberized serpentine, proximity to the world's markets, and superior quality of fibre. As a matter of fact, in 1924, the world consumed approximately 260,000 tons of raw asbestos, and of this over 225,000 tons were produced in Canada.

The importance of the industry lies in the resistent qualities of asbestos, which render it suitable for use where fire, cold, oil, or acid resisting properties are essential. Asbestos is made into yarns, tape and listing, from which are made theatre curtains, gloves, clothing, steam packings, bushings, gaskets, brake band linings, tubings, electrical insulation. Other grades are used in the manufacture of shingles, slates, lumber, paper and millboards, boiler and pipe coverings. For many of these purposes, and for other special purposes, there is no known substitute.

Classifying the Output

A classification of the Canadian output of asbestos in 1924 follows:

Paper stocks—	
Tonnage, 1924	58,634
Average value	$31.60
Paper fillers—	
Tonnage, 1924	61,451
Average value	$14.88
By-products—	
Tonnage, 1924	59,550
Average value	$6.60
Shingle stocks—	
Tonnage, 1924	19,292
Average value	$46.85
Millboard stocks—	
Tonnage, 1924	11,753
Average value	$30.27
Spinning stocks—	
Tonnage, 1924	10,205
Average value	$109.04
Crude asbestos:	
Tonnage, 1924	4,859
Average value, No. 1	$411.54
Average value, No. 2	$200.15
Fiberized	$170.14

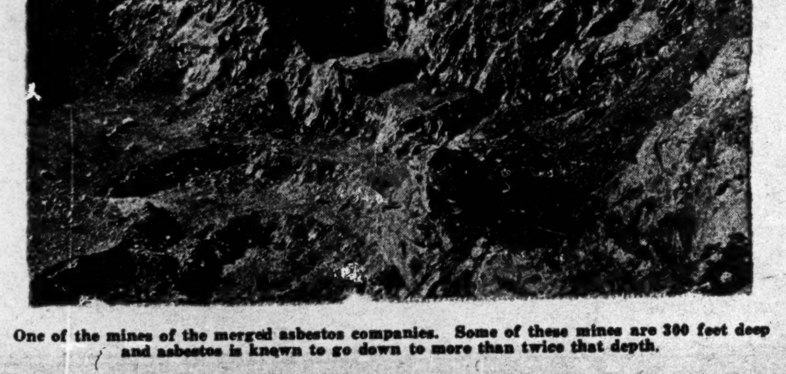
Dye Companies' Merger Affects the Textile Cos.

Of interest in connection with the textile trade in Canada is the recent consolidation of six of the leading dye manufacturers and importers in this country under the name of the Consolidated Dyestuff Corporation.

This new consolidation now becomes the sole importer of various analine dyes which formerly were sold through various firms. The following are the firms which entered this amalgamation in November:

Canada Colors & Chemicals (Dyestuff Dept.)
Grasselli Dyestuff Corp.
Kuttroff, Pickhardt & Co. (Dyestuff Dept.)
McArthur, Irwin (Dyestuff Dept.)
Pollack Bros. & Co. (Dyestuff Dept.)
Rubinovich & Haskell (Dyestuff Dept.)

Profits From a Hole in the Ground



One of the mines of the merged asbestos companies. Some of these mines are 300 feet deep and asbestos is known to go down to more than twice that depth.

CAPITAL USED IN CARPET INDUSTRY OVER $4,000,000

More Than 1,000 Men and Women Employed on Various Processes

The production of carpets and rugs is no longer a negligible phase of the Canadian manufacturing industry. At the present time, more than $4,000,000 is invested in this branch of the woollen textile trades; more than 1,000 men and women are gaining a livelihood therefrom, and considerably more than $1,000,000 is paid annually to these employees.

That the industry is expending is seen from the fact that the last figures available show an increase of $1,179,256 in a single year. The greatest part of the increase was in working capital, which includes materials in process of manufacture and stock on hand. The total amount of capital, both working and fixed, for all Canada was $4,130,485, and of this amount, Ontario accounted for $4,114,500. It is evident from these figures that the industry is largely concentrated within one province, and largely, in fact, in the city of Toronto.

Further evidence of expansion in the industry is seen from pay roll figures. In 1923, payroll was $1,047,823, an increase of nearly $70,000 in a single year. There were 1,031 men and women on salary and wages in the trades, an increase of 130 within the year. The average number of men employed during the period was 722 and of women, 309.

That the carpet industry is an important one to producers of raw materials is seen from the fact that the materials used in the various processes were valued at more than $1,638,149. The largest single item in this was worsted yarn, valued at $517,550. Other important items were woollen yarn, worth $374,080, cotton yarn worth $360,412, and jute yarns valued at $166,613. The various items in detail follow:

		Quantity	Value
Woollen yarn	lbs.	668,543	$374,080
Worsted yarn	"	813,397	517,550
Cotton yarn	"	886,501	360,412
Linen yarn	"	156,849	47,590
Jute yarn	"	999,780	166,613
Coir yarn	"	690,650	48,371
Hemp yarn	"	34,000	8,000
Old carpets	"	6,672	293
Cotton rug filling	"	50	38
Cotton warp	"	13,178	8,393
Jute warp	"	800	270
Jute twine	"	752	157
Upholstery covering	"	...	200
Tailors' clippings, etc.	"	3,940	468
Thread and fringe	"	...	3,355
Bindings	yard	500	30
Soap	lbs.	7,333	806
Chemicals and dyes	"	...	89,674
All other	"	...	11,849
		...	$1,638,149

Corporation Tax in Alberta is Least Costly to Collect

An interesting discussion of the relative costs of collecting the various taxes of the province of Alberta is contained in a paper read at the National Tax Conference, London, by W. V. Newson, Deputy Provincial Treasurer of Alberta. Mr. Newson points out the difficulty arising from the fact that certain officials collect more than one tax. In such cases, salaries and expenses have been apportioned pro rata according to the amount of the levy, or the estimated receipts as the case may be, and all costs including rent, heat and light have been included as far as possible. Following is a statement of the collection costs:

Nature of Tax	Amount of Tax	Cost of Collection	Coefficient With Costs Pro-rated
Fur Tax	$ 72,767.06	$ 4,184.00	$5.75
Increment Tax	55,1[illegible].20	4,551.00	8.25
Mine Owners' Tax	193,691.23	3,547.00	1.83
Education Tax	198,954.80		8.34
Do., (Leased Lands)	33,515.03		8.34
Supplementary Revenue Tax	1,521,627.40	186,345.00	8.34
Timber Areas Tax	10,931.07		8.34
Wild Lands Tax	169,531.51		8.34
Amusement Tax	192,607.32	9,726.00	5.05
Corporations Tax	502,152.30	8,144.00	1.62
Gasoline Vendors' Tax	294,166.15	6,064.00	2.06
Railway Mileage Tax	268,745.95	5,467.00	2.03
Tax on Premium Income of Fire Insurance Companies	12,294.75	500.00	4.07
Succession Duties Act	185,001.22	10,490.00	5.67

A. B. C.
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Holiday Trade Has Been of Very Satisfactory Proportions and the Outlook is For a Much Better Year in 1926

A prosperous New Year for Western Canada!

That's the feeling that A. E. McLean, managing director of the National Cash Register Company of Canada, secured during a five weeks' trip to Western Canada. Mr. McLean returned some days ago to Toronto head office exceedingly optimistic of business in the West, due to the splendid crop and the high prices the farmers are receiving for it.

"I talked to the heads of most of the large retailers in the West," said Mr. McLean to The Financial Post, "and they are all enthusiastic over the situation. Business at this time has not been as good for years. It amazed me to see and hear of the quantity of goods the merchants were bringing in for the Christmas trade. Retailers who thought they had covered all their requirements found themselves short of certain goods a couple of weeks before Christmas and had to get in their sorting orders by express. One outstanding firm that buys a lot of toys had brought in a large quantity but these were all sold up early and they were actually importing them from the United States by the carload to supply the surplus demand.

"I was right through to the Coast and the same optimistic feeling was in evidence everywhere and especially in British Columbia. They have had a good year in mining, fishing, fish-canning, lumbering, fruit-growing and shipping, all of which has brought an immense amount of wealth to that province. On account of the snow during the threshing season, one or two sections in Alberta were somewhat behind in marketing their grain, and this tended to slow up business a little in those sections. But they are bound to get the benefit later of the marketing of this grain at the higher prices, so that they, too, are quite optimistic."

Mr. McLean referred especially to the Calgary district, where the snow had retarded harvesting and threshing.

In some cases the early blanket of snow was a help in increasing Western wealth. It meant that almost a month went by before the stacks of grain, which had been soaked and left to dry out, could be threshed, and in the meantime prices went up. Many of the farmers have stacked their grain and have gone to California for the winter, believing that the grain market will be even higher during the early part of the New Year. Reports from the Argentine, from Russia and the shortage of wheat and flour in Great Britain are being studied closely by the Western farmer. The wheat pool has, too, in Mr. McLean's opinion, had a beneficial effect on Western wealth and business. Instead of throwing all their grain on the market immediately it was threshed and taking the first price offered, the farmers were being paid in instalments and were better able to budget their purchases and expenses as they have money coming in regularly, because of the system of the operation of the pool.

"The pool has certainly meant a great deal to the farmers of Western Canada," he added.

The fact that a number of the large stores had made and were making extensive building plans was another sign of the times. "The Hudson's Bay Company have excavated practically a whole block in Winnipeg for a big building to cost several million dollars. This will be ready some time next fall. Operations are also being planned in Regina and other centres. In Vancouver the Hudson's Bay Company, David Spencer and Woodwards are all extending their stores," he said.

Speaking of the business of his own company in Western Canada Mr. McLean stated it was the best the company had had in ten years. Their salesmen work on the quota plan, and practically every man in the West is in the "hundred point" class this year. This backs up the statements he has made above in reference to the development of Western business during the past year.

BRADSHAW LOOKS FOR IMPROVEMENT IN IMPLEMENT TRADE

(Continued from page 11)

experienced, disaster will inevitably follow.

Throughout the Dominion collections during the past year were better than in 1924. A consistent annual improvement has been experienced since 1922 in the West, and since 1923 in the East. This has enabled the manufacturer to liquidate his borrowings substantially, and to relieve himself from the burden of heavy interest charges.

New Reaper-Thresher

Probably the most notable achievement of the year was the testing out in western Canada of the "Reaper-Thresher," an implement which, as it travels along the harvest field, cuts and threshes the grain and loads it into wagons or bags, thus making it ready for storage or shipping. In this country it is a great novelty to witness grain being taken to the elevator less than half-an-hour after it was standing in the field. The experiment, which was successfully carried out by several owners of large farms, effected a saving of one-half in the cost of harvesting, besides which it expedited and greatly simplified operations. These machines have been in use for many years in South America, Australia, and in the Western United States.

Their use in western Canada has been a much debated question, because for many years the wheat growers thought that climatic conditions, and particuarly the danger of frost, made it advisable to cut the grain while somewhat green and allow it to remain in the stooks to mature, or "sweat," as they often express it, that they might obtain the highest grade. It was also thought that if the grain remained standing until ripe, it would shell out by the winds, and that a big loss would occur in cutting by the "Reaper-Thresher." The test this past harvest demonstrated that in those districts where "Reaper-Threshers" were used they produced a better sample of wheat at a greatly reduced cost of handling to the grower.

Exports Increasing

Exports likewise showed a healthy increase. Although farm implements were exported to practically every grain-growing country in the world, their chief destinations were Great Britain, France, Germany, Russia, Australia, New Zealand, Argentine Republic, and the United States. During and since the war much valuable business has been lost with Russia, Germany, Austria, Hungary, Roumania, etc., but in the past few years some headway has been made in laying the foundations for at least a partial resumption of operations in many of these countries. Local competition, however, especially in Germany and France, is seriously affecting profitable exportation from the United States and Canada. Certain types of machines, particularly those of less refined or complicated construction, are now mainly supplied by local manufacturers, who profit by having lower labor costs, longer hours, cheaper material and a high tariff. France — one of the great agricultural countries—is becoming quite a formidable rival in the production of modern farm equipment. The constant fall in the franc has been a disturbing factor to all exporters and because of local competition it becomes practically impossible for the implement exporter to carry on operations except under great difficulty and at a serious loss.

Although the turnover of business during the past year was much greater than in the previous year, yet the factory output remained about the same. This was due to the fact that there was an exceedingly large carry-over of implements from 1924, especially those for use in the home markets. For the coming year, however, it is believed that the production will be substantially greater, and it may run as high as 75 to 80 per cent. of that of pre-war years. This heavy programme is warranted by the improved sales of the year just closing, and the relatively small stocks carried over. Approximately 20 per cent. more factory labor will be employed than in the previous year.

During the current year prices of raw materials and supplies were approximately the same as in 1924. The market, however, is strengthening and the demand is more active. There does appear to be a tendency for prices to advance somewhat, and price levels in 1926 may exceed those of 1925 owing to the likelihood of the continuance of expanding business in the United States and Canada.

No loss was experienced last year in factory operations through tardy delivery of materials. During 1923 serious loss was incurred through slow deliveries, but in 1924 and 1925 conditions in this respect were ideal.

Labor costs throughout the year showed practically no change over those of 1924, nor are they likely to decrease during the new year. To offset this it is essential for the manufacturer to take advantage of every improvement in factory methods and to be alert in adopting efficient labor-saving devices and machinery. Special attention is being paid to this element, as it is believed to be the only immediate recourse possible for lowering production costs.

A great change for the better has come over farming in western Canada in recent years. It was not so very long ago that butter, eggs, bacon and beef were imported into the Prairie Provinces to supply the needs of those living there. To-day, these three provinces are not only able to supply all their own needs in these and other food requirements, but are also very large exporters of the best quality of these very commodities, in addition to maintaining their position as the greatest exporters of cereals in the world. This movement towards mixed farming has placed the agricultural industry of the West in a less precarious position, and has made it much more profitable and interesting.

1926 should, from present indications, see a still further improvement in the implement industry. The demand for goods will be greater and plants will be more fully occupied.

It is most gratifying to record that perhaps never before has the feeling between the implement manufacturer and the farmer been so harmonious as during the past year. The one cannot get along without the other, and, as both have had to pass through trying and difficult times, they have come to regard sympathetically the problems of each other.

Motor Truck is Complement Not Competitor of Railway

(Continued from page 3)

economical service may be briefly mentioned:

1. The motor truck should be used for short-haul business, and experience seems to be placing a limit of 50 to 75 miles. This short-haul business is unprofitable to the railways because of their heavy terminal expenses, but they cannot hand it over to the motor trucks until the latter assume the responsibility of common carriers, the same as the railways.

2. The motor truck should be used for intra-terminal haulage. It should be employed to take L.C.L. business from one station to another within the terminal for concentration on the outward movement. Moreover, the railway could drop cars at an out station, and make delivery therefrom or collections thereto by means of the motor truck, thus avoiding the congestion of the central station of the terminal.

3. The motor truck could be used to take the place of a branch line railway until the amount of the traffic should be sufficient to justify the construction of the branch line.

4. The motor truck should be used to extend the railway service back to the country and thereby act as distributors as well as feeders for the railway. This would apply, of course, only on L.C.L. business and with the use of the railway bill of lading for the complete movement.

5. The motor truck can be used very successfully for handling L.C.L. freight instead of way-freight trains. Railway way-freight trains have been a source of much annoyance to the railway companies because the expense is high and the revenue small.

6. The motor truck may be used for handling L.C.L. freight between stations on two more or less parallel main lines, or between a main line and a branch line, without the necessity of sending the traffic sometimes considerable distances to and through a junction point. For example, it is much more economical to send such traffic by motor truck from Owen Sound to Meaford, a distance of 20 miles, than to send it via Candian Pacific Railway from Owen Sound to Mono Road, 100 miles, and thence via Canadian National Railways to Meaford, 115 miles, or a total rail haul of 215 miles. The trucking of freight across the country, rather than handling it by roundabout rail lines, is working out to a very successful issue and there is an ample field here for the motor vehicle.

7. Motor trucks are usefully employed in making the interchange of freight at junction points between connecting lines, by cross-town trucking rather than by rail transportation on belt lines with many switching movements and much delay and expense.

8. The motor truck has been responsible for the economies secured by the use of unit containers. These are steel boxes which will hold 7,000 pounds. When they are filled with L.C.L. traffic and the door is locked they are taken by motor trucks to the stations where, by means of cranes, they are hoisted from the trucks to suitable flat cars. When they reach their destination they are removed from the car by a crane and placed on the trucks, by which they are carried to the consignee's door. This avoids much handling expense and prevents pilferage. This system was developed by the New York Central and is in great use on this system.

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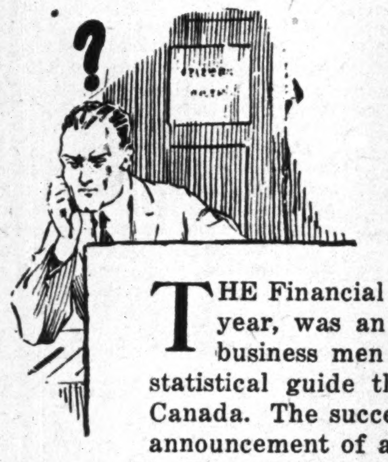

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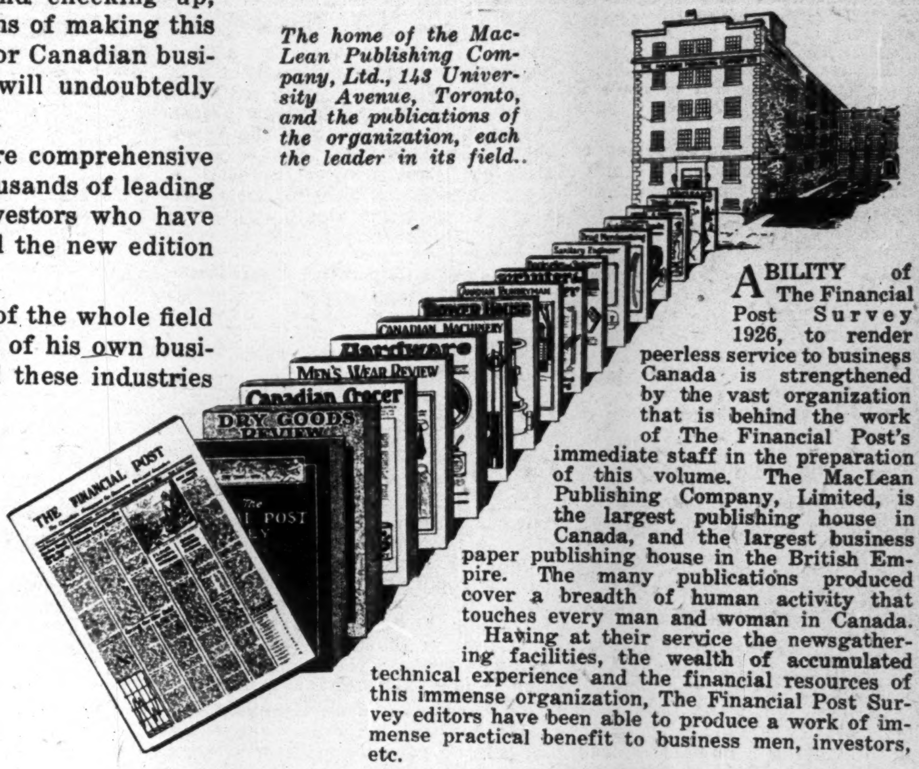

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